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OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—TWENTIETH PARLIAMENT

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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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1947

CANADA

House of Commons Debates

OFFICIAL REPORT

Tuesday, March 4, 1947

The house met at three o'clock.

REPORTS OF COMMITTEES

CANTEEN FUNDS—CONCURRENCE IN FIRST REPORT

Mr. L. A. MUTCH (Winnipeg South) presented the first report of the special committee on canteen funds, and moved that the report be concurred in.

Motion agreed to.

BANKING AND COMMERCE

Mr. HUGHES CLEAVER (Halton) presented the second report of the standing committee on banking and commerce.

He said: Mr. Speaker, I move:

That pursuant to the recommendations contained in the second report of the standing committee on banking and commerce presented this day, the said committee be instructed to inquire into the administration of the patent office in regard to staff, office space and equipment and to report to the house in relation thereto.

Motion agreed to.

WORLD TRADE CONFERENCE

COMPOSITION OF CANADIAN DELEGATION

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I wish to announce the Canadian delegation which will attend the second session of the united nations economic and social council preparatory committee of the international conference on trade and employment which will convene in Geneva on April 8.

Mr. L. D. Wilgress, Canadian ambassador to the U.S.S.R., will head the delegation, with Mr. Hector B. McKinnon, chairman of the tariff board, as alternate. The other delegates will be: Hon. Victor Doré, Canadian ambassador to Belgium; D. Sim, deputy minister of National Revenue (Customs and Excise); J. J. Deutsch, Department of Finance; H. R. Kemp, Department of Trade and Commerce; F. A. McGregor, Commissioner, Combines Investigation, Department of Justice; A. M. Shaw, Department of Agriculture; S. D. Pierce, Department of External Affairs. Advisers to the delegation will be: W. J. Callaghan, Commissioner of Tariff, Department of Finance; R. Cousineau, tariff board, Department of Finance; G. C. Cowper, Department of Trade and Commerce; J. P. Manion, Canadian Commercial Representative, Rome; A. L. Neal, Department of Trade and Commerce; A. E. Richards, Department of Agriculture; G. B. Urquhart, Department of National Revenue; A. S. Whiteley, Department of Justice. The secretary general of the delegation will be L. E. Couillard, Department of Trade and Commerce.

At the conference the representatives of nineteen countries including Canada will seek to negotiate specific tariff concessions on a multilateral basis, the removal of other barriers to trade and the elimination of discriminatory practices. They will also seek to agree on a charter establishing common principles of world trade policy and setting up the proposed international trade organization of the united nations.

The Canadian delegation is at present en route to London where it will hold preliminary discussions with commonwealth representatives on tariffs and preferences prior to the opening of the conference in Geneva.

WEATHER FORECASTING

PROPOSED ESTABLISHMENT OF STATIONS IN THE ARCTIC

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I should like to make a short statement with respect to Arctic weather forecasting stations.

To enable Canada to provide more accurate and longer range weather forecasting to meet her domestic and international obligations, the government proposes to establish nine weather stations in the Arctic during the next three years. The most northerly of these will be located in the vicinity of Eureka sound on the northwestern side of Ellsmere island approximately 600 miles from the north pole. The main weather station will be established at Winter harbour on Melville island at approximately latitude 75 north, longitude

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110 west. It is planned to have Eureka sound and Winter harbour in operation this coming summer. The actual location of the other weather stations is a matter for further study. It is considered essential that these stations be operated for a minimum period of five years to enable accurate assessment of their value with a view to determining the advisability of continuing or expanding weather reporting operations in these Arctic regions.

Our Canadian climate and weather are more definitely influenced by currents of air and storms from the Arctic than from any other points of the compass. It is anticipated that the establishment of Arctic weather stations will provide our meteorologists with accurate information which will be of inestimable value to our national economy, and particularly to enterprises in many fields, such as agriculture and lumbering, to say nothing of aviation and other forms of transportation. From an economic point of view, long-range weather forecasting would result in savings far in excess of the monetary costs in establishing and maintaining these stations. Their establishment would also determine the feasibility of air routes across the Polar regions. Reports from the proposed Arctic weather stations will reduce the number of errors in the weather forecasts by providing advance information of outbreaks of cold air from the far north.

To our knowledge, the U.S.S.R., which is equally affected by polar storms and currents of air as the North American continent, maintains a large number of weather stations in the Arctic regions on the other side of the north pole. It is hoped to be able to interchange Arctic weather information with the U.S.S.R. and other neighbouring countries in the north when possible. The U.S.S.R. has already a very extensive exchange of weather information with Canada and will be greatly benefited by the additional reports which will be made available to them.

These new stations will be of great value to the United States as well as to Canada, and their operation will enable more accurate long range forecasting by the United States weather bureau. The United States has therefore undertaken to assist Canada in the establishment and operation of these northern stations, which will, of course, be under the control of the Canadian government, which will supply the officers in charge. United States technical personnel will be included in the staffs required. The Canadian government is grateful for this assistance, which will be invaluable until sufficient technically qualified Canadian-trained personnel are available. It is believed that this extension of weather-reporting facilities, in which the two countries will cooperate, will be of service to all countries interested in improving our common knowledge of the north.

TAXATION

RELIEF MEASURES TO BE EXTENDED TO GOLD MINING INDUSTRY

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I wish to make a statement to the house regarding certain tax relief measures which the government proposes should be extended to the gold mining industry.

The house is doubtless aware of the difficulties facing the gold mining industry in Canada today and of the urgent representations that have been made to the government from associations representing the industry, from responsible citizens of mining districts, and from members of this house representing many constituencies in Northern Ontario and Quebec who have expressed to me personally their real concern over conditions in their constituencies.

No one who examines the record of current gold production and compares it with the level of output in our best years can fail to be impressed with the seriousness of the decline. Production has fallen from its all time high of 5,345,000 ounces in 1941 to 2,808,000 ounces in 1946. This is a decline of more than 47 per cent. Moreover, with rising labour and material costs and with the loss of the 10 per cent premium on United States funds, the immediate outlook is not bright.

It is, of course, a characteristic of the gold mining industry, which produces a product with a fixed price, that the margin of profit narrows down in the face of rising costs of labour, materials, and equipment at a time when business generally is prosperous. On the other hand, favourable conditions appear in this industry when others are in depression. It is well remembered how active the industry was during the hard years of the thirties, and how important it was to our whole economy during those years as a support to employment, to our foreign exchange position, and to our domestic purchasing power. Accordingly, I believe there will be general endorsement of the proposals I am about to make which are designed to assist in increasing production and to encourage prospecting and development in this field.

The government's proposals for the industry are threefold. In the first place, the depletion allowance for gold mines will be increased from 33⅓ per cent to 40 per cent of profits earned on and after January 1, 1947. This will apply

to mines the value of whose output is to the extent of 70 per cent or more from gold. This will be of general benefit and encouragement to the industry as a whole. By widening the margin of retainable profits, the well-established mines should be able to utilize more low-grade ore than they might otherwise feel it worth while to bring to the surface. This provision should operate naturally to lengthen the productive life of existing mines in the industry. To this extent, therefore, it can be regarded as contributing towards future employment in the industry.

The second proposal is directed particularly towards the low-grade marginal mines where the impact of adverse conditions has been most severe. As a special relief measure in this direction it is proposed that the amount allowed as depletion for gold mines, as defined above, shall not in any case be less than $4 per ounce of gold produced. This new minimum allowance of $4 per ounce will replace the present minimum of $2 per ounce, and will be effective as from the date of commencement of the existing $2 per ounce minimum, that is to say, it will apply in respect of gold produced in fiscal periods ending after June 30, 1946. This provision will have the effect, for example, of exempting completely from tax those mines whose profit margin is $4 per ounce or less. This minimum depletion allowance will likewise be of benefit to those mines whose profit margin is more than $4. As it is an alternative to the 40 per cent depletion mentioned above, it is obvious that this $4 minimum will be of benefit to every company whose profit margin per ounce is less than $10.

The third proposal relates to new gold mines which have come or come into production on or after January 1, 1946. As the house is already aware, the law allows a three-year exemption period for new mines. In this three-year period companies are at present expected to take into their books the appropriate write-off for depreciation and pre-production expenses. It is now proposed to relieve gold mines from this requirement. These deductions which the companies have been required to take regardless of the size of their profits may now be carried over and taken in the remainder of the ordinary period of write-off remaining after the three-year period. This provision, while somewhat technical in nature, will, I think, be recognized by the industry as a substantial addition to the value of the three-year exemption. It should give added stimulus to the search for and development of new prospects since it increases significantly the tax concession to new mines.

The government has given very careful and sympathetic consideration to a number of other suggestions which have been made. There has, for instance, been some talk in the press of an outright subsidy for gold production. It is significant, however, that this was not urged by those who speak on behalf of the industry as a whole. In the government's view, at a time when subsidies on essential foodstuffs and other commodities are being withdrawn, it would be most inappropriate to embark upon a policy of subsidizing gold mining operations.

I would also like to take this opportunity of clearing up one point on which I find considerable misunderstanding in some quarters. It has been suggested that the government is obtaining more than $35 per ounce for the gold it sells abroad, because the Canadian dollar has been selling in the unofficial markets in the United States at a discount of several per cent. There are also suggestions that the industry should be entitled to the value of its gold converted at this unofficial exchange rate in New York. Let me say first of all that the proceeds of all Canada's sales of gold abroad are paid into the exchange fund account held by the foreign exchange control board and converted into Canadian dollars at the official rate of exchange, so that the government is making no profit in the way that some have apparently thought.

It would be out of the question to convert the proceeds of the sale of gold abroad into Canadian dollars through the unofficial market in New York and other American centres, and this is obvious when the nature of this unofficial market is understood. The transactions which take place in this market are only certain transactions between non-residents. All exporters of all products are required to account to the foreign exchange control board for the foreign exchange they receive from their exports and are not permitted to sell it in the unofficial market. This is one of the most basic elements in our system of exchange control, because it is necessary that the foreign exchange produced by the sale of our exports shall be made available for the purpose of purchasing imports for Canada and paying our other commercial and financial bills abroad. This is the use to which the foreign exchange is put when it is sold to the foreign exchange control board. If the proceeds of our gold exports or any other exports were sold in the unofficial markets abroad, they would not be available to Canada for normal purchases or payments abroad, but would instead be diverted to the

export of capital from Canada by non-residents, thus undermining one of the main purposes of foreign exchange control.

This will be clearer if I take a moment to explain in more detail the nature of this unofficial market. This market arises because certain Americans or other non-residents of Canada may wish from time to time to withdraw capital from Canada and they find that they are unable, under the Canadian foreign exchange control regulations, to withdraw it by purchasing United States funds from a Canadian bank in the normal way. As members of the house are aware, United States funds are provided under present policies for all current account transactions, that is to say, for all imports, for reasonable travel expenditures abroad, for the conversion of the income earned by Americans on their investments in Canada, and they are also provided for the repayment of debts, including outstanding bond issues which are payable solely or optionally in United States funds. In addition, there are certain other types of capital transactions which we are prepared to see take place in the form of Canadian dollars but for them we are not prepared to provide United States funds out of our official reserves. For example, an American granted a permit to sell a security in Canada comes into possession of Canadian dollars which cannot be converted into United States funds in Canada. Similarly with an American selling real estate in Canada or reducing his capital investment in a Canadian business. Nevertheless, although Canadian dollars so acquired are not convertible into United States funds out of our official reserves, they are not blocked. The American receiving them is perfectly free to sell them to another American who wants Canadian dollars, at whatever rate they agree upon. The American purchasing the Canadian dollars can only use them for certain purposes. For example he cannot use them to pay for Canadian exports on account of the requirement that exports from Canada to the United States be paid for in United States funds. The main purpose for which they can be used is to make new investments in Canada, though Canadian dollars can also be used for tourist expenditures here.

The fact that Canadian dollars acquired in the unofficial market can thus be used only for certain limited purposes naturally makes them less valuable in the hands of non-residents than United States dollars, which can be used for any purpose. Hence a discount may arise, but this discount is no indication whatever of the true value of the Canadian dollar. This discount represents merely the price paid by one non-resident to another as an inducement to make a capital investment in Canada which cannot be converted into United States funds through the official channels. This unofficial market is highly specialized and accounts for only a small percentage of our total international transactions.

While I realize that this is a highly technical subject, I thought I should make this explanation to remove some of the misunderstandings which appear to exist.

In closing I should like to emphasize that the new pattern of taxation of the gold mining industry which I have outlined must not be regarded as fixed policy. It represents a programme which the government considers proper under the present circumstances, and will, of course, have to be reconsidered when circumstances change and particularly if and when general economic conditions become much more favourable for gold mining.

Mr. HACKETT: Will the Minister of Finance indicate to what extent the discount of the Canadian dollar in the United States market is attributable to the management of the Canadian dollar by the Canadian authorities?

Mr. ABBOTT: I would say not at all.

Mr. COLDWELL: Will the Minister of Finance inform the house why it is that the government alters the basis of the budget established by this house without referring it to parliament?

Mr. ABBOTT: It is not altering the basis of the budget. This is not a statutory provision. It is a provision which is within the discretion of my colleague the Minister of National Revenue. The rates of depletion and depreciation are such as the minister may allow. My hon. friend will recall that those are not fixed by statute.

Mr. COLDWELL: I did not recall that.

Mr. ABBOTT: They are a matter which is within the determination of the administrative branch of the government. That is why I am in a position to make this announcement which is a matter of government policy and does not require an amendment to the existing statute.

UNITED NATIONS

INQUIRY AS TO SPECIAL SESSION OF GENERAL ASSEMBLY TO DISCUSS PALESTINE MANDATE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Secretary of State for External Affairs. Has Canada been sounded out either officially or unofficially by

the secretary general or any other official of the united nations organization as to the Canadian view on calling a special session of the general assembly to discuss Britain's latest proposal with respect to the handing over of the mandate of Palestine to the world organization?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The answer is no.

Mr. GRAYDON: May I thank the minister for such a prompt and brief answer.

NATIONALITY AND CITIZENSHIP

CANADIAN PARTICIPATION IN COMMONWEALTH CONFERENCE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I direct a question to the Secretary of State? Did Canada participate in the commonwealth conference on nationality and citizenship which has just been concluded in London? If so, who represented the Canadian government?

Hon. COLIN GIBSON (Secretary of State): I think that question should more properly be referred to the Secretary of State for External Affairs.

Mr. GRAYDON: He would just say no.

Mr. GIBSON (Hamilton West): I may say that the representative from the department of the Secretary of State was the under-secretary of state, Doctor Coleman.

COAL

IMPORTATION FROM UNITED STATES INTO MARITIMES PROVINCES

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Labour, arising out of many telegrams I have received from civic bodies throughout the maritimes, stating that the fuel requirements of that area are being supplied by United States coal. Can the minister inform the house who are the importers of this additional coal, and can he assure us it is not being imported by the Dominion Steel and Coal Corporation? In the second place I should like to inquire if the government of Nova Scotia or of New Brunswick has made representations to his department or advanced any proposals with regard to a settlement of the present work stoppage.

Hon. HUMPHREY MITCHELL (Minister of Labour): The answer to the second part of my hon. friend's question is no. The other part of the question comes within the jurisdiction of the Minister of Reconstruction and Supply, and no doubt he will answer it.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I must advise my hon. friend that coal control ended on December 31 last. For more than six years prior to that date the Department of Reconstruction accepted responsibility for seeing that every citizen of Canada received coal sufficient for his needs. That responsibility is now in the hands of others. The government has neither the machinery nor the power to protect any user of coal to the extent that he will receive his full supply. The only machinery left is the statutory dominion fuel board. I am told by that board that it has received requests from the province of Nova Scotia for certain help in rationing coal and in moving coal from one part of the maritime provinces, where there is a surplus, to another part where there is a deficit. I am informed that, to the extent its staff will permit, the board is helping in this way.

As far as the importation of coal is concerned, I have no knowledge of it. I do not know whether or not coal is being imported; or, if it is, I do not know who is importing it.

Mr. GILLIS: The point I am interested in is whether or not the company which is carrying on a strike at the present time is being paid the subsidy the government pays on United States coal.

Mr. HOWE: I have explained that there is an agreement with the company, and I notice on the order paper a motion asking that the agreement be tabled. I will attempt to facilitate that motion and table the agreement at the first opportunity.

Mr. GILLIS: The subsidy to which I have reference is the $3.50 a ton paid on United States coal used for domestic purposes.

Mr. SPEAKER: Order.

EXTERNAL AFFAIRS

CANADIAN AMBASSADOR TO MOSCOW

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to direct a question to the Secretary of State for External Affairs, arising out of the announcement he made a few moments ago respecting the Canadian delegation to the preparatory com-

mission on trade and employment. In view of the many assignments being given Mr. Dana Wilgress, whom I regard as well fitted for them, may I ask if he will soon be returning to his post as Canadian ambassador to Moscow, or is consideration being given to the appointment of someone else in his place?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): No decision has been made with respect to that matter. When a decision is made it will be announced promptly.

NAILS

ALLEGED SHORTAGE ON PACIFIC COAST

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): Reports from the Pacific coast indicate a serious shortage of nails there. Can the Minister of Reconstruction and Supply make any statement with regard to the situation?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I have not heard of a shortage of nails in any part of Canada during the past two months.

Mr. FRASER: You have not been around, then; for there is a shortage.

Mr. HOWE: The fact of the matter is that there was a shortage last year, for several reasons, the principal of which was the strike in the steel industry. The limiting factor today is the amount of wire rod that can be devoted to the making of nails. The rod making capacity of Canada is being operated to the fullest extent, and the nail making capacity is being operated to the extent that rods can be made available. I might add that steel rods are being supplemented by aluminum rods, which make a satisfactory nail for some purposes. I have just received from the statistical department a forecast of production which indicates that whereas the production of nails in 1946 was 59,000 tons, production for 1947 is estimated at 72,000 tons, an increase of twenty-two per cent. I can assure my hon. friend that the industry is today operating at the rate of 72,000 tons of nails per annum, which should more than satisfy the requirements of Canada.

Mr. FRASER: How many nails were exported?

Mr. HOWE: There is, and for many months has been, a prohibition against export of nails from Canada.

[Mr. Knowles.]

INCOME TAX

COMPULSORY SAVINGS—REQUEST FOR REPAYMENT IN ADVANCE TO PERSONS IN NEED

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Will the Department of Finance give consideration to advancing the date of payment of compulsory savings to persons in need? I am being inundated with letters from people in need.

Hon. DOUGLAS ABBOTT (Minister of Finance): I shall be glad to give consideration to that matter.

MEAT

INQUIRY AS TO DISCONTINUANCE OF RATIONING

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I should like to ask the Minister of Finance if the discontinuance of meat rationing is in contemplation; and, if so, when?

Hon. DOUGLAS ABBOTT (Minister of Finance): The question has not been considered. When a decision is made it will be announced in due course.

WAR SAVINGS CERTIFICATES

QUESTION AS TO PAYMENT BY CHARTERED BANKS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Will the Minister of Finance say whether the chartered banks will be allowed to cash war savings certificates when the first of them become due, which will be within a few months? I understand that according to P.C. 306, dated January 28, only the post office will be allowed to do so.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

FEED GRAIN

REQUEST FOR STATEMENT AS TO PRICES OF BARLEY AND FLAX

On the orders of the day:

Mr. J. A. ROSS (Souris): I want to direct a question to the appropriate minister; I am not quite sure who it may be. When will an announcement be made with respect to the price of barley and flax for the 1947 production? Many farmers are anxious to make their seed arrangements for the approaching season.

Right Hon. J. G. GARDINER (Minister of Agriculture): The whole policy in connection

with feed grain was held over for consideration until after representations were received from the farmers' organization last Friday. It is now being given consideration, and an announcement will be made in due course.

PRIVILEGE

MR. PEARKES—WITHDRAWAL OF CANADIAN TROOPS FROM EUROPE—PRODUCTION OF PAPERS

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): On April 8, 1946, the Prime Minister asked me not to press at that time my request for the production of papers connected with the withdrawal of the Canadian occupational troops from Europe. In view of the statement made last evening by the Secretary of State for External Affairs will the government now table those papers so that this house may obtain full information on the subject in its relationship to other pending international agreements?

Some hon. MEMBERS: Order.

Mr. GRAYDON: There should be an answer.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The regular way to obtain the production of papers is by a notice of motion on the order paper.

Mr. PEARKES: Mr. Speaker, it was on a motion for the production of these papers that the Prime Minister made the statement to which I have referred.

Mr. GRAYDON: The minister and the Prime Minister are as far apart as the poles.

MR. GILLIS—INCOMPLETE ANSWER TO ORDER FOR RETURN

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I rise on a question of privilege, Mr. Speaker, in order to call the attention of the Secretary of State to the fact that sessional paper No. 142A, tabled yesterday in answer to some questions I asked, is incomplete. I suggest that now he should advise me how I might go about getting the necessary information. In my opinion questions 4 and 5 in this order were not answered at all. I believe the Department of National Revenue were in error in their answer to question No. 4, when they said it was contrary to the practice of the department to furnish information which would disclose the private transactions of the importers at customs. In my question I did not suggest that any private transactions should be disclosed. I merely asked for the names of companies importing fuel into Canada—nothing about their private transactions.

Question 5 was whether any of the importing fuel companies in Canada were subsidiaries of operating coal companies in Canada or the United States, and the answer was, no information. If the Department of National Revenue or the wartime prices and trade board, which answered these questions, have not that information, then surely some other government department has it. I wonder if I could impose upon the good nature of the Secretary of State to the extent of asking him to suggest to me some way by which I could get this information. I should like to have it because it involves large expenditures of the taxpayers' money, and it is information to which I believe we are entitled.

Hon. COLIN GIBSON (Secretary of State): I shall look into the matter.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 7, consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. RODNEY ADAMSON (York West): Mr. Speaker, I am glad to see that there is at least somebody in the Department of Finance who realizes there is such a thing as a gold industry in Canada. But I want to say here and now that the plan just brought down to the house by the Minister of Finance (Mr. Abbott) will be of as little use as the plan he brought down previously.

Mr. CHEVRIER: You have not even looked at it.

Mr. GRAYDON: He did not have to look at it; it was read to the house.

Mr. ADAMSON: The plan will be of no use whatsoever, because the mines which are facing virtual extinction are those the basic costs of which to produce an ounce of gold are greater than $35. To offer any tax relief, or to call this a measure of tax relief for mines which at the present time are operating in the red, is only adding insult to injury.

There is one thing to be said about the minister's statement: After four or five years of constant hammering at the Department

of Finance and its experts over in the east block, eventually they have done a little with regard to the depletion allowance. If I read the statement correctly, the depletion allowance to mines is increased from 33⅓ per cent to 40 per cent. Nothing is said in the statement about shareholders, so presumably the shareholders still take it in the neck.

My next observations will be directed to the free exchange. The minister went to great lengths to show that free exchange was not helpful to the Canadian or United States owner. If it is not helpful, and if it is not a real differential in cost, then why is it that Canadian stocks selling on the New York stock exchange sell from anything up to ten per cent lower in American dollars than they do in Canadian dollars? If the exchange disparity is not something that is very real, why is there a disparity in the prices of stocks on the two markets?

Having said that I should like to attempt to show the house the real danger which is facing the mining industry. I believe I should begin by pointing out the difference between mining—particularly gold mining—and any other type of industry. In a normal industry if the product is not marketed at a profit one can increase the price to the consumer. If the manufacturer still cannot operate at a profit, he can go into some other line and make some other type of article. Then if he fails to make a profit he can close his plant and wait until times improve, and pay only the small cost of maintenance and insurance.

On the other hand with a gold mine one is faced with a fixed price of $35 an ounce. Expenses are constant: one cannot close a mine or shut down a mill. The company has to keep it operating, because if it is not operating the mine will fill with water and become of virtually no value. Furthermore the management cannot make or sell any other product. Therefore as gold mining costs increase the mine is constantly driven nearer to the wall, until such time as costs equal selling price, which must bring about the closing of the mine. There is no other answer.

Under normal conditions mining is a hazardous and extremely vulnerable industry. There is no way in which one can look forward to what he is going to discover with the aid of the diamond drill. Except under most exceptional circumstances reserves can never be blocked out years in advance. Mining is always a wasting asset: the deeper one gets, the higher go the costs. Even under the best circumstances mining is a difficult, dangerous, hazardous and speculative business.

On many occasions I have drawn the attention of the house to the importance of mining, and particularly gold mining, to Canada. Under normal conditions a man employed in a mine gives work to at least five other men in other parts of Canada. In the United States the ratio is even higher, because the extent of fabrication of metals in that country is greater than it is in Canada.

Mines have beaten back our northern frontier. Without them northern Quebec could not have been properly and adequately colonized. Without mining, the great clay belt represented by the hon. member for Cochrane (Mr. Bradette) would not have become a potential farming area. Today in Canada eighty per cent or more of our land can be used only for mining purposes. North of the tree line, and even approaching that line, the only asset we have lies under the ground. It seems therefore that everything possible should be done by any government in Canada to see to it that that eighty per cent is developed.

I now come briefly to the question of base metals. Today we have a differential between the controlled price of base metals in Canada, and the world market for those products. I wish to place on record a table showing these comparative prices:

	Canadian	United States	World
Lead	10·63	14·00	14·00-14·50
Electrolytic zinc	10·25	11·50	11·50-11·75
Electrolytic copper	16·63	20·50-22·00	20·50-21·00

It will be noted that the world market runs similar to the United States market. The differences between the Canadian and United States prices are 3·37 cents for lead, 1·25 cents for zinc and 5·37 cents for copper. There would be the same differences between the Canadian and world prices. If the price of base metals was keeping up the cost of living in Canada to any extent there would be some excuse for continuing controls, but there are two things to be taken into consideration. First, a difference of two or three cents per pound may mean the difference between a mine operating at a profit or at a loss. The net result of these controls has been that in effect a subsidy is being paid to the fabricator.

The price per pound does not mean much to the consumer of the average article, because the metal content costs of most articles is quite low. The cost of the metal is only a fraction of the total consumer cost. One of the first things that must be done is to remove the ceilings and controls on base metals.

There has been considerable activity in the stock market and people will say that if the stock market is good there cannot be much

the matter with the industry. That is a very dangerous situation because the condition of the stock market does not necessarily denote a healthy condition in the industry. The boom in the stock market is largely due to two factors. First, there was a recent discovery of large nickel deposits in Manitoba and, second, some high grade deposits of copper ore have been discovered in the Rouyn and Noranda district. I will not mention the names of the companies, but those discoveries have been outstanding and large paper profits have been made in the stock market. All this does not indicate that the mining industry is in a healthy condition. There is only one thing that will make a healthy mining industry, and that is production. At the present time that is anything but good.

I come now to gold. The trouble with the gold industry can be summarized as follows: First, there is the parity of exchange. Second, there is the increased cost of materials. Third, there is taxation. Fourth, there is the increased labour cost. Fifth, there is the inefficiency underground because labour is getting older and the mines are getting deeper. As a consequence in many cases the output is not as good as it was before the war. Sixth, there is a drop in the ore reserves. Seventh, development work has been virtually at a standstill during the entire war, and ore is being broken on a hand-to-mouth basis.

I come now to the crucial point in connection with the entire gold situation. Unless a gold mine can produce an ounce of gold for $35—it is really $34.80, because there is a mint charge of 20 cents—that gold mine is not producing at a profit. There is only one answer: if you cannot produce your gold for $34.80 an ounce you cannot continue your mine. There is no other option open to such a mining company. You must produce for $34.80 or you go broke and your mine closes.

Let us look at the situation which existed in Canada at the end of last year, and it is considerably worse today. I have the names of the companies here but I shall not give them because I do not think it would be fair. This is all a matter of public record through published statements. In Ontario there were 14 mines which were not producing gold for less than $35 per ounce; in Quebec there were nine and in British Columbia there were four. The aggregate daily tonnage of the Ontario mines was 7,975 tons; of the Quebec mines, 6,175 tons and the British Columbia mines, 1,570 tons. There was a total installed mill tonnage of 15,720 tons per day. In other words, there was installed in Canada 15,720 tons per day in mills in mines which were operating in the red.

I am assuming that the average grade was $5 per ton. It would be a little less than that in Quebec, probably a little more in Ontario and considerably more in British Columbia. Assuming your average value per ton to be $5, the daily loss would be $78,600. On the basis of 350 working days a year, the loss per annum comes to the staggering sum of $27,510,000 which is almost entirely attributable to the policy of putting the Canadian dollar on par with the United States dollar and thus decreasing the price by $3.50 an ounce. I ask the house, through you, Mr. Speaker, and I ask the country through the house: is that policy worth it? The answer must come from the people of this country. They must answer whether the fiscal policy of this government with regard to the gold industry is worth $27,000,000 per annum, based on conditions at the end of last year.

There are other things which are almost as serious. One is the tremendous shrinkage in the ore reserves of every Canadian gold mine. Since parity was established, twenty-five mines have cut or omitted their dividends. This constitutes a direct tax loss to the country. More dividends will be cut or omitted this year. There were only forty-seven mining companies paying dividends in 1946, and parity occurred early in July. The most recent information is that Hollinger has shown a loss of 200,000 tons in ore reserves this year, with an estimated value of nearly $3,000,000. This is the most substantial drop in ore reserves in the history of this great Canadian mine.

I come now to the other factors which are increasing the cost of mining gold. The first mine of continuous record to report was Kirkland Lake Gold Mines. Kirkland Lake estimates that parity meant a loss of $1.30 per ounce produced during the last half of 1946. This mine also said that the increase of ten cents per man-hour to labour meant an increase in costs equivalent to $1.61 per ounce of gold produced or 64 cents per ton milled. The increase in the cost of supplies in 1946 equalled $1.50 per ounce produced. By adding together these three items of increased costs it will appear that the 1947 costs will be between $4 and $4.50 per ounce produced higher than the 1946 pre-parity costs at this mine.

Kirkland Lake Gold is an old established mine and has a steady record of production. It is therefore reasonable to say that the conditions of increased costs found there will apply to the whole gold mining industry. An over-all cost per ounce of between $4 and $5 will put every straight Canadian gold mine in the red with the exception of eight mines, several of which are small high grade pro-

ducers with a small output of gold. These are the facts. Can parliament and the government sit idly by and watch the destruction of this industry?

It may be asked, what should be done to assist the gold mining industry? The Minister of Finance and his advisers have always said that to export gold was to export capital. There are a number of mines in Canada today which are willing to market their own bullion. They are prepared to turn over to the foreign exchange control board the funds realized for this bullion, and they are prepared to turn over these funds in United States currency. Is that an export of capital? With our desperate need for United States dollars, surely if a man can get $40 or $45 per ounce in United States currency he should be allowed to do so, on the understanding that he turn over the currency to the foreign exchange control board. Surely that is not an export of capital.

I hold in my hand a short article which was published in the New York *Herald Tribune* last week, having to do with the marketing of gold. It reads as follows:

> There was little gold to be had anywhere in the world with the exception of London, where brokers were offering metal, presumably of Swiss origin, at from $41.75 to $42 an ounce.
>
> Informed quarters speculated whether the unofficial pressure being exerted by Washington would also be brought to bear on licensed international dealers to hold down the wholesale price which has been increasing consistently over the last two months.
>
> However, as long as the black markets were bidding ever higher prices for gold at retail, which has exceeded $80 an ounce in oriental markets, there was very little chance of keeping private wholesale dealings at reasonable levels.
>
> If the present international move to stamp out excessive black market operations should be successful, there is reason to believe that wholesale prices would respond, subject, of course, to the law of supply and demand.

This is the important sentence:

> The relative scarcity of gold would seem to act against any substantial decline of quotes at this time, regardless of all other factors involved.

In other words, Mr. Speaker, regardless of what the United States government may do, the price of gold is going up. It cannot be stopped.

That is the first step. The second step is to establish a free bullion market in Canada. The third step, which would be taken some time later, is to mint convenient sized bars and allow Canadian citizens and corporations to hold the gold. I mention this particularly in reference to the annual report of the Sun Life Assurance Company of Canada. The Sun Life has some $3,500 million of insurance in force at the present time. One of its greatest difficulties is with international currency. I shall not read the report of the company, but at the present time it is doing one of the great works of mercy in the world in that with its world-wide organization it is financing its policyholders, many of whom have kept their policies in force or at least have a considerable equity in them. It is providing destitute people all over the world with funds. If that company could supply its policyholders with gold, what a great asset it would be to policyholders in the orient, on the European continent, in Africa, in South America and even in England, and what a wonderful piece of good will it would be for Canada!

I come now to the matter of depletion allowance. I have said that the depletion allowance of 40 per cent at the mine is minuscule; it is nothing compared to what is needed. I have suggested 50 per cent and the senate committee agreed. The mining association and the chamber of mines have all agreed that not only do we want an increased depletion allowance to the mine but it should be given to the shareholder as well, and it should be in the neighbourhood of 50 per cent to really encourage the industry.

The mining industry is wholly opposed to a subsidy. If a mine cannot produce at a profit it is not the duty of the Canadian people to support it. All that the gold mines ask is to be allowed to get the world price for their metal. Surely that is not asking too much.

So far we have considered the industry merely from its own point of view. Let us look at it in the light of our present economic position. I say, Mr. Speaker, in all seriousness that this country is in one of the most perilous international monetary conditions of its history. I should like to refer briefly to our position *vis-à-vis* the United States. In 1946 our imports from the United States were $1,405,300,000 and our exports to the United States $887,900,000, leaving a net deficit of the staggering sum of $517,400,000 in 1946 as against a small deficit of only $5,400,000 in 1945. That is not all. The situation is much worse than that today. In December our imports from the United States were $145,600,000; our exports were only $83,900,000, leaving a debit to the United States in December of last year of $61,700,000, the highest of any month in our history. Let us look at the ways in which we can meet that debt. We can meet it by currency devaluation, by tariffs, by selling more goods to the United States. I suggest to hon. members that they read an excellent article by Professor Palyi in last week's *Financial Post*. It seems

unlikely that we are going to do any of these things, although we may be forced into devaluation; it is unlikely that our exports to the United States will greatly increase. We need their coal and oil and we are going to need them more and more. But there is one way in which we could help to meet that deficit, and that is by increasing our gold production. Our non-monetary gold exports in 1946 fell, I believe, to the low of many years of 95·8 million dollars. The average for the period of 1935 to 1939 was $124 million; that is, the average of the four years prior to the war was 35 per cent higher than the gold exports last year. In 1941 the maximum gold production was $206,000,000, and in 1946 is was just half that, $103,000,000.

In our desperate position in relation to United States exchange, in relation to United States dollars, I suggest that the first job of any government should be to see to it that we increase our gold production to meet this astounding deficit.

Let us look at the situation in another light. Canada's reserve of United States dollars in 1945 was $1,500,000,000. In 1946 it was down to $1,200,000,000. At the beginning of 1947 it was down to between $600,000,000 and $700,000,000, and at the present rate of dissipation it will take about six months to exhaust it entirely. Are we going to wait until we entirely denude ourselves of United States funds and become pauperized, or are we going to act now?

Let me mention another thing in this connection. The very stoppage of Nova Scotia coal mining is aggravating the situation, because for every ton of coal produced there we have to import a ton from the United States, further increasing the debit balance. I wish to quote one sentence from Graham Towers' report on the Bank of Canada, page 23 of the annual statement for 1946:

> Canada cannot continue indefinitely to sell on credit in overseas markets while she is incurring a substantial cash deficit in her balance of payments with the United States.

I say that Mr. Towers' "indefinitely" means about six months; in that time at the present rate we shall be denuded of American exchange. We may be denuded by the summer of this year. Can we look upon that with equanimity? I say not. We are in very truth facing bankruptcy if we continue in our present course.

I come now to the international monetary fund. It was hoped that the fund would provide a means whereby we could stabilize our exchange. At the present time controlled exchange are for the most part entirely fictitious, the pound sterling being worth $4.04 and the French franc one cent or nearly one cent. That is a fictitious exchange. It has no true value as an exchange rate. The franc today is selling for probably one-fifth of a cent, and the pound sterling, according to the last quotation I saw, was around $2. Are we to expect a hard boiled Republican congress of the United States to kick billions into the international monetary fund in view of these fictitious values of the pound sterling, the franc and other currencies in terms of United States dollars? We cannot count upon their doing so.

I wish now to quote some words from Camille Gutt, managing director of the international monetary fund:

> I cannot see any purpose in having a country go through deflation and depression to hold on to a currency parity which is fundamentally unsuited to its international economic position.
>
> We saw that in the 1930's, when depreciation was used not merely as a remedy for an unbalanced international position, but also as a device to export unemployment by depreciating a currency below the rate warranted by the international economic position of the country. It was what has been very appropriately called "a beggar my neighbour" policy. If we do not want a repetition of monetary chaos, we must replace conflicting national policies with cooperation in dealing with international monetary problems. That is the primary purpose of the fund—to provide a means for consultation and cooperation.
>
> Under the gold standard, short-term movements of capital were supposed to help countries to tide over difficult periods. Before the first world war, they were mostly of an equilibrating character. During the last twenty-five years when we had such movements, they were quite often of a disequilibrating character, what was called "hot money." Balances shifted from one centre to another for speculative or for political reasons. They could and, in some cases, did induce inflation or deflation in a country.

That statement was made recently in a symposium on the international monetary fund at Columbia university, academy of political science. The significant part in it is what he says about the gold fund flowing from one country to another owing to political unrest. That is very true, and it will always remain true so long as there exists political unrest together with controlled and managed currency throughout the world. The only way in which you will stop this flow from one country to another, in a politically upset world, is by establshing and retaining confidence in a country and the availability of hard exchange. The way in which that can be done, and the only way that has ever been found by which it can be done, is by establishing convertibility or exchangeability into gold.

I want to quote one thing more with reference to the international monetary fund. This is from Professor Jacob Viner, professor

of economics at Princeton. I quote this to show that it is not merely my ideas on this matter that I am putting forward. I have a considerable amount of expert opinion behind me. This is what Professor Viner says concerning the international monetary fund:

> The means for dealing with economic problems must be adjusted to new conditions. Otherwise the economy breaks down. That does not require a change in objectives; but it does require a change in techniques. The gold standard was fundamentally a means of securing a common international monetary policy. With the more rigid structure of the present industrial economy, the gold standard can no longer perform this function.
>
> The international monetary fund could, and should be made to operate, within the limits of its resources, as a cycle-dampening agency. If it operated in accord with what I interpret as the spirit and even the letter of its charter, strictly as an exchange stabilization fund, such would be the natural result of its financial operations. But if newspaper reports have any basis, the managers of the fund are impatient to begin credit operations.

A sinister implication with respect to the use of the monetary fund.

> At this time price controls, rationing, subsidies, black markets, import and export controls, and direct governmental trade operations are almost everywhere either substituting for or distorting the traditional role of free-market prices as regulators of economic values. At this time every exchange rate in the world has a questionable and indeterminable relationship to the lasting values under free exchange market conditions of the currencies involved. At such a time there is little obvious value in stabilizing the existing more or less arbitrary exchange rates. At such a time there is no technique, except patience and trial and error, for ascertaining what levels of exchange rates would be deserving of stabilization. If the monetary fund authorities nevertheless embark upon active operations without waiting for less unsettled and less transitory conditions, the fund will inevitably operate as a reconstruction agency, or as a relief agency, instead of as an exchange stabilization agency. Once the time arrives when exchange stabilization proper will be feasible and urgent, the fund will have a till empty of the currencies then in demand and choked with the currencies in over supply in the foreign exchange markets of the world.

By that he means, Mr. Speaker, that if the monetary fund continues as a relief agency, which apparently is what it may do, the hard currencies, those which it is possible to transfer into gold, will be used up by the devastated soft currency countries until eventually the fund will find itself full of nothing but soft currency for which there is no use. I say "no use," Mr. Speaker, and I mean no use. The only way currency stabilization can ever be put into effect is by allowing a free exchange. I do not suggest that within a period of many years we shall be able to go back to a fixed gold standard. But we should use the gold we have to assist our own economy. We should use it by allowing our citizens to have it and by allowing it to be used as a trading asset instead of selling it at $35 an ounce when we know it is worth a great deal more than that, and selling it to a country to whom we are going in the red to the extent of $600 or $700 million a year. We are selling it, at a price far below the world price, to the United States, who will use it as one of her great assets in the time to come. I say that we need every ounce of gold that we can possibly produce in Canada. The function of the government should be to see that the gold industry is encouraged in every possible way. What are we doing now? The gold industry is being quietly strangled, and the statement made by the Minister of Finance today will do practically nothing to stop it.

In conclusion, Mr. Speaker, I wish to make these last points. First, Canada is in an extremely vulnerable position with regard to her international exchange. Second, the controlled exchange rates now in force throughout the world are almost entirely fictitious. Third point, in view of Professor Viner's statement, it is improbable that the international monetary fund can operate as a currency stabilizer under the present rates of exchange. Fourth, bankruptcy is inevitable at the present exchange rates, which cannot be maintained. Fifth, the only way which has ever been found of bringing about a free exchange is to allow a free market for gold. Canada is in an extremely favourable condition in this regard. We are a great trading nation in our own right. We are today probably the greatest per capita trading nation in the world. The use of gold as an asset in the hands of our traders abroad would be of inestimable value.

Finally, we have an opportunity to push back our northern frontier. I do not know what gold is worth in the open market today, and nobody knows. It is selling at $80 an ounce in some places and $60 in others, and reasonable transactions are taking place. On the bullion markets of the United States it is $41 and $42. Nobody can say what the true value of gold is today, at least in terms of the Canadian dollar or the American dollar. I do say, though, that the value is certainly a great deal higher than the $35 Canadian which we are being paid for it. If gold is increased in value, in relation to the Canadian dollar, to anything like the rates currently in effect throughout the world, you will see not only $200 million, but $300, $400 or $500 million worth of gold produced in Canada annually. We have the possibility of entirely

altering our whole economic structure. It is the one thing which will pull us out of the doldrums of upset international trade. The world is hungry for gold. The United States is hungry for gold.

An hon. MEMBER: The world is hungry for wheat.

Mr. ADAMSON: They are hungry for wheat, yes, but we do not get paid for it. I have no quarrel with that; we must do what we can to prevent mass starvation. But I do say that gold is the one thing that the nations of the world have ever put any trust in. We can use our gold for our own advantage and become a great international trading country, or we can continue with our present policies, in which event I say in all seriousness that we face bankruptcy. That choice rests with this parliament.

Mr. DAVID CROLL (Spadina): Mr. Speaker, if there is a single topic which has been thoroughly debated throughout the length and breadth of this land, that topic is immigration. This perplexing problem will continue to agitate this nation for many days. As this house knows, many speakers—including repeaters like myself—have discussed the subject from the social, economic, moral and humanitarian aspect. While, on the practical level, there has been a nation-wide demand from every walk of life for more people, yet the doors of this country have been opened only a crack. We still say to the world at large, "If you are lucky enough to come within a few narrow categories, you may enter at some time in the future." To the others we simply say, "We have not been able to make up our minds." I do not want to derogate from the little we have done to open Canada's narrow gate. It is at least a beginning, though its greatest fault, as I see it, is that it is vague, indefinite, wholly inadequate, and will bring us only a trickle. Yet one thing we have achieved. In common with other hon. members I hailed the statement made in this house by the Minister of Mines and Resources (Mr. Glen), when he announced that there would be no discrimination against any group or class of immigrants. That all will be treated alike is in itself a victory. It was undignified for the government and an insult to the foreign-born among us that certain people were preferred. Now this invidious distinction has been removed in principle, and I trust the department will not fail to do away with it in practice.

There are two fundamental bases for the opening of immigration. The first is our obligation and our desire to help the war-stricken areas of Europe. This is a limited, short-term humanitarian plan, but it is not an immigration policy. The second is the long-term development of Canada. I bring to the attention of the house a booklet recently issued by the Minister of Trade and Commerce (Mr. MacKinnon), referred to as "educational bulletin No. 1, 1947, Canadian census occupational data for counsellors", containing some 165 pages. Rather than give my view, I give the opinion of the Montreal *Gazette*, as expressed this morning. They say:

> Support for the general view that increased immigration is essential is now offered from an additional and surprising source; the dominion bureau of statistics in a report on census occupational data. The figures, tables, charts and conclusions of the bureau report are as coldly practical as they are irreproachably accurate mathematically.
>
> Unmoved by sentiment, unswayed by prejudice, uninstructed in political considerations, the bureau of statistics argues from the basis of collated facts and nothing more. Its presentation begins at the beginning. It arrives by way of charts of figures at the only logical conclusion arithmetically. And it proves its opinion that "only a robust immigration policy could provide such expanding home markets as were previously available," whilst the Canadian birthrate is stationary or declining.

Further:

> If Canada is to maintain its present standard of living and develop its natural resources—still largely unexplored, unexploited and unharnessed—while taking its appropriate place in the comity of nations, it must fill some part of its empty places with men and women from other lands; men and women working together for themselves and for Canada.
>
> A generous immigration policy is not only humanitarian, it is the best tradition of enlightened self-interest.

To date, Mr. Speaker, we have done very little under both these heads; not enough either to relieve the basic need or to salve our own conscience, as continuing demands from home and abroad would indicate. We are profoundly uneasy about immigration. We know we must adopt some positive plan; yet we seem to do so reluctantly. Instead of formulating a broad, clearly defined policy, we juggle around the regulations, raising the age limit here and including another small category there, until even the immigration officials are as confused as are members of the public. It is true that a fifteen-year negative mentality is hard to change, but that is our task.

I shall deal with the immediate aspects of this problem. The question of refugees and displaced persons is a vital one, not only for the displaced persons themselves, who have been driven from their homes and have spent long years at forced labour and in concentration camps, but for the future peace and welfare of the whole world. Not until the disruptions and disorganizations of war have

been settled, can we hope to proceed with the rebuilding of Europe. It is important that we should have a clear idea of the issues involved. There has been and still remains much misunderstanding concerning the number of refugees and their racial and national composition; and I should like, therefore, briefly to review the facts in the case. It is estimated that about thirty million persons were displaced from their homes in Europe during the war. Of these some ten million were removed to Germany as labourers in agriculture and industry. Some of these went voluntarily because of their enthusiasm for the nazi cause, but many more were coerced, becoming virtually slave labour. In addition, several million were prisoners of war, and about a million were held in concentration camps. The remnants of these groups constitute the core of the present displaced persons' problem. To these must be added a quarter of a million or more children whose parents were killed in concentration camps or during military operations, or who wandered over the country following the moving armies, or who were placed with families in Germany, France and the low countries. Following the end of hostilities in Europe, the task of sorting out and repatriating these displaced millions fell on SHAEF and on UNRRA displaced persons' teams, which succeeded in moving the majority of them in orderly fashion back to their former homes. From V-E day to April, 1946, some six million displaced persons have been repatriated; and the task of repatriation has been continued, thanks to the admirable work of UNRRA, the intergovernmental committee on refugees, and the British and United States military governments.

There still remains, however, what we may call the irreducible minimum, those who, after almost two years of peace, remain homeless and the responsibility of the victorious allies. These number approximately one million people, mostly in displaced persons camps in Germany, Austria and Italy. They comprise roughly 400,000 Poles, 200,000 Baltic peoples, 70,000 Yugoslavs, 150,000 Jews and 100,000 Ukrainians. Of these, some 600,000 are found in the United States zone, 350,000 in the British zone and 50,000 in the French zone. The rest are in smaller groups. In other words, they are mainly from central and eastern European countries and are unwilling, for either political, economic or racial reasons, to return to their homelands.

It is well to examine what manner of people are these displaced persons. As we have seen, they are of varied origins, occupations, cultures and abilities, but all have undergone common experiences. They have been uprooted from their homes and separated from their families, many of whom met death at the hands of the invaders. They spent years in internment camps or barracks, where lack of humanizing contacts with friends and loved ones, coupled with the brutality of the nazi overseers, has broken and upset their previous life pattern.

Most of the displaced persons showed little interest in politics. There was deep hatred of the oppressor. But the violent uprooting and long separation from their homeland tended to blur their political as well as their other affiliations. To add to these deprivations, they enjoy none of the rights guaranteed to prisoners of war by international convention, and even the little privileges of food parcels and gifts were denied them.

The majority of these persons were set to work in the German economy. Eastern Europeans were usually assigned to agriculture and heavy manual labour, while western Europeans were employed largely in industry. As might be expected, their output of work was usually less than half that of the German workers, owing to their resentment, inferior living conditions, and lower level of skill, coupled with a great deal of deliberate sabotage.

Yet even before the end of hostilities the displaced persons were beginning to rise out of the depths. Community life, if only on a very rudimentary level, became reestablished; and with the advent of peace and fewer deprivations, some return to a more normal behaviour pattern was possible. So long, however, as the homeless remain virtual prisoners in the same camps that housed them in the days of their slavery, and so long as four-fifths of them continue in enforced idleness, we may expect their resentment and restlessness to continue unabated.

These people have no future, in their present way of life. We must help them to become self-sustaining economically if we ever hope to rebuild them morally. At present they are homeless and hopeless. Their host countries look upon them with hostility. So many Germans have been deported from the east into the United States and the British zones that the population has increased from 34,000,000 in 1939 to 43,000,000 in August of this year. No doubt some of them can be integrated into the German life; but there is little there worth while. It is very crowded, and even they are looking to the British and to the Americans for food to be provided for them, while all the rest of the world appears in their eyes to be indifferent to their fate.

We must not forget the children. In their desire to destroy the biological basis of

adjoining countries, the nazis kidnapped hundreds of thousands of children from their homes and cast them adrift on the continent. UNRRA workers have been able to find only 10,000 of them, most of whom have now lost their native language and their desire to return home. As children will, they remember only dimly their past associations. Their lives will have to be rebuilt from the very foundation.

What is to be done with this tragic residue of men, women and children? Return to their homes is out of the question for a variety of reasons. In many instances their homes and possessions have been destroyed, through military operations. In other instances their property has been acquired, legally and otherwise, by people who refuse to restore it, even if legal title could be established. Still others, notably Poles, Ukrainians and Baltic peoples who make up the majority of the displaced persons, cannot go back because of hostility to the governments which prevail in their homelands. Often this is aggravated by fear of violence and even death, if they return.

The Jewish displaced persons, who number approximately fifteen per cent of the total, suffer most of these disabilities. They do not want to go back to the homelands, and they are not now wanted. Their homelessness poses an especially sad problem, because the war left tragic residue of anti-Semitism in Europe.

To settle this problem, the general assembly of the united nations has approved the formation of the international refugee organization which will come into existence formally, we hope, when the constitution has been approved and signed by the fifteen member states whose contribution to the operational budget is not less than seventy-five per cent of the total, which has been tentatively set at $160 million.

The international refugee organization must be prepared by June 30 of this year to take over the work of settling displaced persons previously carried out by the various bodies I have mentioned. What is Canada's position in all this? Our position has been ably presented before the general assembly of the united nations by the Minister of National Health and Welfare (Mr. Martin). Our view throughout the discussions was that the question of refugees can be solved only through cooperation among all the united nations to the fullest possible degree, and we have consistently supported the formation of the international refugee organization. In this connection I quote the words of the minister:

> . . . with the clear understanding that we will play our full part as a member state of the international community.

We take as our major premise these four points on which general agreement has been reached:

1. The problem of refugees is an international responsibility;

2. Repatriation should be carried out to the fullest extent possible;

3. No genuine refugee should be forced to return to his place of origin against his will; and

4. No aid should be extended to war criminals, quislings or traitors.

This last point is of paramount importance. The basis of our approach is on humanitarian principles, and traitors and Quislings are certainly not entitled to look to us for mercy and assistance. In addition, if such people were false to their countries of origin, what assurance should we have that their attitude toward their land of adoption would be any less reprehensible? We have no room for political turn-coats or economic opportunists. Our sole desire is to extend the helping hand of humanity to those who deserve our aid. Our doors will be forever closed to those who backed the wrong horse and betrayed their own countries.

Most important of all, we must do our utmost to make the international refugee organization a reality and not a polite fiction which will salve our consciences and leave the great human problem unchanged. To date, as the minister has pointed out, despite our fine words, scarcely a single refugee has been actually aided by the united nations. Words in themselves solve nothing. We must get on with the great social task before us.

We are in agreement upon one fundamental principle. The refugee problem which is an inevitable legacy of war is an international problem and it must be given an international solution. The united nations, on the basis of their available space and their economic stability, must be prepared to offer immediate haven to a million refugees. We must all do our share. Already the South American countries have announced their willingness to participate. Brazil has expressed the desire to take 120,000; Paraguay is calling for agricultural workers, including 5,000 Ukrainians, and will take professional workers up to fifteen per cent of the number of practising in that country. Venezuela will accept 10,000 families, amounting to from 30,000 to 50,000 persons. Chile has appropriated $20 million for immigration. Argentina will take 50,000 a year up to 4,000,000, and Colombia has announced that she will accept displaced persons. What I think will interest the house more is the fact that Britain has announced that she will

admit 500,000 displaced persons to relieve her manpower shortage. I should like to quote from the Montreal *Gazette* of today:

> The admission of a half million displaced persons to relieve Britain's manpower shortage has been agreed upon by the ministry of labour and the trades union congress, it has been learned.
>
> As a result of continuous pressure by the cabinet, faced with accumulating evidence of Britain's deteriorating economic position, union leaders are understood to have agreed under two conditions to a drastic move to break the vicious circle of shortages. The first is that the immigrants shall become subject to union rules and standards. The second is that the immigrants shall be selected individually on a basis of their skills and general suitability for Britain's most seriously undermanned industries—coal, foundries, textiles and agriculture.

Britain, the Argentine and Brazil already have missions in Europe weeding out the displaced persons. They are stealing a march on us and we are going to be left holding the bag. Let us not deceive ourselves; Canada must take a stand in this matter and it must be a realistic stand. On the basis of the room available and on the basis of our strong economy, we shall probably have to take into this country a minimum of 100,000 displaced persons. If they are picked, they will strengthen rather than weaken our economy. Until the present, we have gone along with the united nations, agreeing in principle with the united nations. We now stand committed to the fullest possible participation, a participation which we accepted as part of our responsibility to the world. But words only have been spoken and now the time has come for us to take some action.

As I said, we shall probably be called upon to take a minimum of 100,000 displaced persons. Rather than sit back and take what they give us, let us go in now and choose and take as Britain, the Argentine and Brazil are doing. Let us send our teams into these European camps without delay. If we wait we shall be left with the leavings, and that might well give immigration into this country a set-back from which it will never recover. We are ready to take our fair share numerically of displaced persons, but we want the very best we can get. First come, first served, seems to be the order of the day according to the announcement in the press.

Whom shall we take? First of all, there are those with relatives in Canada. Under present regulations these would number at most 2,000. But our test must not be whether they come within the present narrow regulations. The test should be: Has the displaced person relatives in Canada and have the relatives asked for him? We must be careful not to break up family groups. Those people who

have relatives in Canada already have one foot in this country. They have someone here to speak for them, to welcome them and to look after them. They will assimilate quickly and will readily be absorbed into the Canadian stream.

Next come the children. On several occasions during the war the question of bringing orphaned children to Canada was broached and the response from the country at large was immediate and good. We showed what we could do in a small way with the British war guests, and I am confident that Canadians will open their homes and their hearts to the orphaned children of Europe whose lives have been shattered before they have scarcely begun. I know they will find among us foster homes where they will become workers and citizens in a society that needs them as much as they need it.

Next come the kind of people we want; that is, the workers, the same kind of people Britain wants. At the present time we can certainly use 5,000 domestics, and they are available. Mining, agriculture, textiles and other industries are all desperately in need of man-power. We are faced with the opportunity to do two great and inspiring things: help the homeless of Europe and help ourselves at the same time. It is a challenge which we must meet boldly.

I see the problem as being one primarily of organization. We must send our immigration teams to Europe at once with instructions to go ahead at full speed and with the fullest support from the government agencies concerned. This is not the time for administrative delays or departmental complexities. We are faced with an emergent situation which calls for the same bold planning we threw into our war effort. Present facilities patterned on our pre-war set-up are inadequate for the task. We must set up a large efficient immigrant processing department with ample powers. There will be labour department officials to designate what kind of people we want and where they can best be employed. There will be a medical group to examine refugees on the spot, including the use of X-rays. There will be an administrative group to screen and document refugees and a transportation group to move them from the camps to Canada. There will be a reception group to receive them on arrival and distribute them to their destinations, and educational groups in the provinces must seep them in Canadianism.

Let no one say that this cannot be done. Once before in our history, at the height of the great immigration boom before the first great war, new Canadians were landing on our shores at the rate of 1,000 a day and

we handled them with dispatch. In 1911, a total of 286,839 came into this country; in 1912 they totalled 331,288; in 1913, 400,870; and in 1914 almost 250,000. Who will say that Canada is not up to such an effort today? Any country that built up the great organization that we did in the war, that sent half a million men overseas and brought them back again, cannot possibly bog down on this task. There is no shortage of help. We trained thousands of men during the war to examine and move whole divisions of men half-way across the world. This personnel, trained in military operations and UNRRA work, is available today and is waiting to tackle the job. We have only to give them the word to go ahead.

There is no shortage of ships. I have here a copy of a Canadian Press dispatch, datelined London, February 25, 1947, quoting Foreign Secretary Bevin's report to the British House of Commons on the plight of displaced persons. This is what Mr. Bevin had to say about shipping:

> Foreign Secretary Bevin told the House of Commons today that there are 1,000,000 displaced persons on the continent.
>
> He said he had suggested that all countries take a proportion and "end this miserable state of affairs," but no one wanted these people.
>
> "I will not mention names but one great statesman in the British commonwealth came and gave me a lecture on this problem. I said to him, 'How many will you take, I will get a ship and send them tomorrow'."
>
> "But," said Bevin, "the statesman didn't take one."

I wish to make it clear to the house that that reference is not to the Prime Minister of this country. Here are Bevin's boats that are available merely for the asking. There is no shortage of ships, and even if there were, this matter should have the highest priority. Everything depends upon the will to do it and upon organization. The nation with the best organized and most efficient immigration scheme will leave the others behind.

Then we come to the shortage of housing. A number of years ago when we first opened the debate in this house on post-war immigration this argument for going slow was advanced. We had to bring back the soldiers first and the soldiers' wives and dependents, and we all agreed that they should have first priority. So we waited and some 50,000 families of ex-service men came and were absorbed into our economy and were most welcome. We must now tackle the refugee problem. Our answer cannot be that of the Mad Hatter in "Alice in Wonderland" when he cried "No room, no room"; for, as Alice very properly replied: "Nonsense; there is plenty of room." To begin with, five to ten thousand displaced persons with relatives here will be absorbed into the family circle; they will be taken into the homes without aggravating the present situation. Nor do the orphan children present much of a problem. Certainly room will be found. As for others, how can we honestly say to them, "We have not much room for you," when they have no room at all? The little we can share with them is infinitely better than the nothing they have at the present time.

The house must not forget that every displaced person brings with him one mouth and two hands, and he, too, can create. In the past we have used the need for reestablishing soldiers and their dependents as a reason for allowing no new immigration; but now the housing shortage is being used as an excuse for sloughing responsibility. We can never justify failure on this basis. If this is to be government policy, then I begin to believe in the impossible and the incredible, but I do not believe it is government policy.

As people who solved the tremendous organizational problems of war, who built up side by side a great double economy of industry and agriculture, who controlled our economic life in the midst of world-wide inflation and confusion, surely we are not going to be fazed by a problem like this. One thing is crystal clear. Canada cannot afford to act like a nation of "Richards". It does not become us. This is no time for slow halting steps. We have to open that door now.

There is one thing I wish to emphasize strongly. The settlement of displaced persons is not an immigration policy. It is a strictly limited short-term humanitarian aim arising out of our obligation and desire to help the war-stricken peoples of Europe. We are faced with the problem of resocializing our share of a million human beings who have been deprived of affection, stability and the freedom to live normal lives. Since the end of the war we have shipped our old clothes and surplus food, but that is not enough. A great work of group therapy and social rehabilitation lies ahead, and Canada, as one of the united nations, is called upon to give them an opportunity to rise above this present useless, hopeless existence and build a new life with freedom and dignity, and to take their place amongst the nations that want them.

We owe it to their relatives here. They are Canadians and they feel a responsibility to their own blood and kin overseas. If we give them the chance to help their own, the new Canadians will appreciate that far more from the government than we shall a tax reduction if the house can believe that. This thing is vital to them; they feel that they

are saving lives. As years pass, the memory of the generous humane act increases rather than fades. Offspring grow up and the family circle will never forget the generous act of the government.

Let us not worry about the inconvenience to these people; they are asking for it. They are not concerned with housing shortages. They only know the human problems involved and they seek permission to do everything they can to help.

If we do what I suggest, people will appreciate that we are seized with the urgency of the present problem, and it is an urgent one, as I have indicated. When Canada was refused permission to go before the "Big Four" powers the Prime Minister (Mr. Mackenzie King) talked of the drying up of the wells of chivalry. Let us not dry up the wells of compassion. Every human instinct within us cries out for these people. Today the narrow gates of Canada are almost as hard to pass through as St. Peter's gates, and to the homeless of Europe they are the pearly gates on earth.

Mr. R. R. KNIGHT (Saskatoon City): In speaking in this debate on the address in reply to the speech from the throne I wish to bring before the house a subject of great importance to my home city of Saskatoon, to the province of Saskatchewan and to the nation of Canada. I had expected that we might have an opportunity to have a full debate on this subject, but the likelihood of that is now small. The subject to which I refer is the use of the port of Churchill and the Hudson bay railroad, and I propose to make of it, if a colourless, at least a cautious and a careful analysis.

On October 15, 1945, this subject was debated in the house on a motion moved by my colleague, the hon. member for Churchill (Mr. Moore), who had asked for the encouragement by this government of the fullest use of the harbour facilities and the railroad. The house divided on the motion and hon. members will remember that it carried by a vote of 105 to 24. It would appear that the people of this country, as represented in this House of Commons, favour the idea of giving this route an opportunity to prove itself, something which up to the present it has not had. Proof of its feasibility can be furnished only by its use at full capacity over a period, and I hope that the few remarks which I shall now make will carry in them the impact of that single idea, for I shall not attempt to foresee in prospect the possibilities of the route. That might be interpreted as wishful thinking. Nor shall I attempt to give its history, interesting and romantic as that may be; for that can be obtained from the record of the 1945 debates, as can the statistical record of its operation. I shall endeavour to restrain the exaggeration of enthusiasm, and try to show clearly and precisely why and how in this year of 1947 a proper test of the whole project may be made.

First, it is the wish of the people of this country that such a test be made. I have already spoken of the expression of that wish in this House of Commons by the representatives of the people. But what of the people themselves? Rightly or wrongly, many western people believe that this route has been deliberately sabotaged by some of those whose interests it contravenes. They have upon occasion expressed themselves strongly in that regard. This government should note that the farmers in the recent farm strike in the west had some opinions to express about the Hudson bay route.

I hold in my hand a booklet entitled "Farmers' Action Program of Alberta Farmers' Union and United Farmers' of Canada", and on page 6, which has to do with a discussion on freight rates, I read this:

> An equitable adjustment must be made in the grossly unfair freight rate structure which discriminates in freight charges against prairie farmers exporting and importing goods an all lines of railway, including the Hudson Bay railway.

On page 15, under the heading "Hudson Bay —Churchill railway", we find a strongly worded plea for this route from this organization, with a recommendation that a committee of their number be empowered to carry out an investigation to discover if there is any valid reason why the route should not be used. There are out there many farmers who are interested in this question, and their tempers are becoming somewhat short and somewhat worn by reason of what they consider unwarrantable delays. Here is a resolution passed by the December 1946 convention of the United Farmers of Canada, Saskatchewan section:

> Therefore be it resolved that the dominion government forthwith appoint a royal commission of inquiry to investigate all matters pertaining to the operation of the Hudson Bay railway and the port at Churchill, and that a member of the Hudson Bay Route Association be appointed on the said commission.

So my first point has been to attempt to show that there is a demand for Churchill to have its chance. I shall adorn this part of my argument by quoting the words of the Minister of Transport (Mr. Chevrier) whom

I am glad to see in his seat. They will be found recorded as quoted in *Hansard* of October 15, 1945, at page 1099. He said:

> The policy of the government in the matter of Churchill is to facilitate the use of this port in every way possible.

That would appear to make it unanimous.

This route is a matter of national concern. It is important that this outlet to the world should be available as a means of export and import, even if at the moment it can handle only a mere drop in the bucket of the total wheat export; for that is all that it can do. In spite of some statements to the contrary, it can by no means be considered as an important rival to any other port in Canada; for the amount of grain that it is capable of handling at present is very small in terms of the total export of wheat from this country. The investment of the nation in this railway and port must be preserved.

Much attention has been given to the military significance of the north. I see that at the moment there are 600 armed personnel, including 100 Americans, at Churchill. That is from a dispatch by the Canadian Press of February 12. During the war, emphasis was on Fort Churchill rather than on Port Churchill. I personally would rather see the development of the north on a civilian basis, and I wish to be very clear here that I am not asking for any military development of the north. I would rather see the development of those industries of peace which will one day centre upon that region; such industries as the export of white poplar, the value of which is becoming more and more recognized; the development of mining, the development of a tourist industry, the development perhaps of the oil industry, based upon the prolific white whale; perhaps the establishment even of a reindeer herd. I forget I had promised to keep my feet upon the ground. However, the point I was trying to make is that, if defence is a consideration, then Churchill becomes a place of considerable importance.

Churchill is in the Musk-Ox area; that is, the eastern Canadian arctic. It is the only railhead with continental communications, the only tide-water port with oceanic communications, and also, of course, an air base. I would point out the vulnerability of our single-track trans-continental railways, the vulnerability of the Hudson Bay railway itself. It seems to me that from the military point of view it behooves the Canadian government, and the British government also, to prove once and for all this Hudson bay route, because the fate of a force based upon Churchill might some day depend upon such knowledge. I presume that we shall preserve at least a part of the Canadian navy we used during the war. The navy will have to manoeuvre somewhere and I suggest that it might very well manoeuvre some time in the waters of the Hudson bay itself. By so doing, it would prove once and for all what the ice and weather conditions on that route are, and this information and knowledge could afterwards be used for commercial and personal purposes.

This is a national question too, in that the proving of the route would open up possibilities of interprovincial trade. I hope there are some of my hon. friends of the maritime provinces listening to what I have to say, because the maritime provinces, rather than setting their face against the whole project, might well consider these possibilities. The prairie provinces could ship to Charlottetown great quantities of feed grain, upon which there could be based a great live stock industry and bacon industry. Nova Scotia lumber companies could export wood pulp through Hudson bay, and were the freight rates equitable and the water route proven, such projects would have a chance to develop. Far eastern and middle western Canada would be brought together as never before, and that is surely desirable from the national viewpoint.

I now come to the recent and current history of the bay route. Let us review what has taken place since the debate in this house in October, 1945. Hon. gentlemen who took part in that debate will remember talk of the setting up of a committee appointed by the governments of the three prairie provinces. I am glad to be able to inform the house that such a committee was formed in July, 1946. It consists of the minister of mines and resources of Manitoba, the minister of railways of Alberta, the minister of cooperation of Saskatchewan, together with two members of the Hudson Bay Route Association. Through this committee the efforts of the provincial governments can be coordinated with those of the federal government in making the most efficient use of the port. This committee in turn set up a continuing technical committee to assemble information and to study the whole question of the use of the port. This committee of economists from the three provinces met in October, 1946, in Winnipeg and subsequently in Regina in November, 1946, and in January, 1947. The committee did, and is doing, valuable work, investigating such matters as the possible length of the shipping season, navigation aids, operation and administration of the Hudson

Bay railway, possibilities for the shipment of certain commodities through Churchill, among others wheat, coal and poplar wood. All this, as well as research into other matters relevant to the whole question, is being done, and I am indebted to some of the findings of this particular committee for some of the facts which I shall produce later in this talk.

As to the actual use of the railroad and port since the debate in the House of Commons in 1945, in that season there were shipped from the port approximately 3,000,000 bushels of wheat, of which 2,000,000 bushels had been in storage at Churchill all during the war and which were in perfect condition after all that time. Import of commodities was very small, only some forty tons, made up in part of curling stones, Scotch whiskey, earthenware and some china from Britain destined for prairie points. These amounts were inadequate to furnish proof of anything except that shipment by the route is physically possible, and that, all other things being equal, such shipments would bring advantages to shipper and receiver alike.

I shall only briefly review the physical set-up at Churchill. That is a matter of record. The port facilities as at present would allow the unloading and loading of about forty-five ships during the effective season. When I say unloading and loading I put the emphasis on the export of grain rather than on imports, because the situation is such that too great an import would interfere with the export business. Six or seven ships can be in the harbour at the same time and three can be loaded simultaneously. The loading of a ship a day is quite possible under the best conditions, but the average would be a day and a half. The capacity of a ship is, on the average, 325,000 bushels and storage capacity of the elevator at Churchill is 2,500,000 bushels.

With regard to the railway, this Hudson Bay railway is the property of the people of Canada. Its operation is in the hands of the Canadian National railway under a general manager.

The effective practicable capacity of the Hudson Bay railway in the navigation season is about 150 cars of wheat a day. I think that is fairly conservative. It could be increased, but I want to give the picture exactly as it is. The distance from The Pas to Churchill is 510 miles over an excellent roadbed. I am informed that there is none better in Canada from the point of view of handling freight. This roadbed is furnished with eighty-five pound steel. An old railroader who travelled that line for years told me that it was quite possible to haul the wheat to Churchill, unload it, and have the cars back at The Pas inside of four days; and a car of cattle could reach the port within the thirty-six hour limit after which one must, by law, feed and water live stock in transit.

So we have a good port. We have modern elevator equipment with large storage capacity. We have a working railroad. Now let us look for a moment at the things which militate against the fullest use of these facilities.

In speaking of these difficulties, I am speaking of things as they are in relation to my proposal that the port be used to its maximum extent this present year of 1947. There is, first, the handicap of its geographical position —and, contingent upon that, its climate—and the brevity of the shipping season. There are three seasons. First, there is the effective shipping season of the ships' masters—that is to say, the season in which they are willing to come in there with their ships—and that lasts from sixty to sixty-five days. In the second place, there is the maximum insurance season, in which marine insurance can be obtained; and of course one has to obtain that to make operations anything like practical. That date is from August 5 to October 15. The third season is the natural one, which is considerably longer than the other two and is of a duration of three months upward.

The first of these—that is to say, the effective shipping season—can and must be lengthened if the port is to be a success; and I claim that we already have in our possession scientific discoveries by the use of which it will be so lengthened.

Mr. CHEVRIER: If the hon. gentleman will permit an interruption, will he tell us just what those scientific developments are which could be used to increase the period of navigation at the port of Churchill?

Mr. KNIGHT: If the minister does not mind, I shall develop that answer in the course of my remarks; or, if he prefers, I can give the answer now.

Mr. CHEVRIER: I did not mean to interrupt the hon. gentleman in his speech, and I am quite willing that he should proceed.

Mr. KNIGHT: The next drawback, and a direct result of the first, is the high marine insurance rate. About this we can do little or nothing except one thing, and that is to demonstrate the feasibility of the route by its use to capacity over at least one season; and I would ask hon. members to note that phrase "by its use to capacity over at least one season". Insurance is an important consideration, for it determines the maximum limits of the season ships may use, the cost of ocean

freight borne by shippers, the cost of imports laid down at Churchill, and in general the profits or the savings of operating the route. The trend of the insurance rates over the years has been downwards, accompanied by some extension of the limits of the season. The number of ships since 1931 has not provided an adequate actuarial basis for arriving at a lower rate. Full use of the port for one season would provide that. The imperial shipping committee in its report of July 19, 1939, stated:

> Except in the matter of salvage it is the view of the committee that the Hudson bay route need not be considered as more risky than the St. Lawrence.

And the report added:

> . . . in consultation with our chairman, the joint Hull committee . . . have agreed that if some twenty cargoes in all are brought away from Churchill in 1939 and no serious loss occurs, they will be prepared to give favourable consideration to the question of recommending a further reduction in 1940 from the rates of premium chargeable in 1939."

But, as hon. members will remember, in 1940 we were engaged in a still more serious matter, and the ships en route to Churchill were diverted in another direction. It is, however, reasonable to assume that the principle of the statement which I have just read still applies, and will have weight if twenty or more ships enter the bay in 1947, which is the thing for which I am pleading in this particular address.

The fact that the route never did have a proper test to capacity has left many problems unsolved, and has prevented the accumulation of accurate data for future guidance. The equipment at the port necessary for efficient operation was not complete until 1936, and during the war years the whole plans for operating the port for the exporting of grain were shelved. Then came the operations of 1946 which I have described as being too puny a test upon which to base any reasoned judgment.

The rail freight rates at which wheat will be hauled to Churchill has a distinct bearing on this whole question. Should wheat coming down the Canadian National railway on a long-haul rate be saddled with a heavier rate when it reaches The Pas? We must have an extension of the import-export rate to The Pas-Churchill track. Is the full-time salary of a general manager all charged against the operations of the Hudson Bay railroad? If it is, should it be? Is the Canadian National railway encouraging or discouraging the use of the Hudson Bay railroad? It is because the farmers of western Canada do not know the answers to such questions that the united farmers of Canada, Saskatchewan section, asked by resolution that a royal commission be set up to find the answers.

Mr. CHEVRIER: If the hon. gentleman will permit an interruption, the answers to these questions can be obtained when the committee on railways and shipping is sitting. I do not want to interrupt the hon. gentleman, but surely he must know that such information can be obtained from that committee.

Mr. COLDWELL: The hon. member has a right to make his speech.

Mr. KNIGHT: There are some other points about operations at the bay which such a commission might look into, or which might be revealed by the use to full capacity which I advocate. I have picked these at random, and they are not necessarily in the order of importance. Is there anyone whose job it is to canvass traffic for this road? Are the necessary minor repairs at the port being made? Did the Americans use or remove or destroy any equipment, and on what terms? If so, has such equipment been replaced? What are the labour conditions at the port? Are the stevedores efficient? Are the living conditions in bunkhouses adequate? Is there proper and convenient sanitary accommodation at the dock itself? I would draw the minister's attention to the last phrase, "at the dock itself."

Mr. CHEVRIER: In reply, I would say to the hon. gentleman that the information he has requested can be obtained from the committee on railways and shipping.

Mr. KNIGHT: I shall make up my mind, Mr. Speaker, not to ask any more questions of the minister.

Are the operators, including the key men imported from Montreal, enthusiastic about the success of Churchill? Personally, if I may say so, I do not see why the minister should be on the defensive in regard to this whole question.

Mr. CHEVRIER: I am not on the defensive; I am simply indicating to the hon. gentleman where he can obtain the information.

Mr. KNIGHT: Thank you.

Mr. HEON: Apparently the minister is on the offensive.

Mr. KNIGHT: Well, he is not so offensive after all. What tests have been made of the gyro compass, of radar, of loran—long-range navigation aids? Perhaps in some respects mention of those will answer the question the minister asked me some time ago. What

tests of these have been made in their application to the climatic conditions in the strait? Has the government obtained from the Americans, who made continual air surveys during the war, the facts about the freezing of the waters of the bay proper, facts which have been continually in dispute? These are some of the questions for which a royal commission might obtain the answers, but I submit that, to be correct, such answers must be based on only the actual, full capacity of the route for a full season. Accompanying this test should be a beginning of the civilian opening of the north. I think this point is important, because it would result in a permanent and interested population at Churchill from which the necessary trained and acclimatized personnel for the operation of the port and railway could be drawn.

My plea is that this year we should ship a minimum of 15,000,000 bushels of grain by the Hudson bay route. This figure is based upon careful and cautious calculation, and is chosen for several reasons. That amount of shipping would keep the facilities reasonably busy throughout the season, thus reducing the overhead which has plagued what up to the present have been only token shipments. In the second place, with that amount of exports, an amount of imports in excess of those handled in any other year, that is in excess of 2,500 tons, could still be brought in and handled with the present wharfage and shed facilities, and without conflicting with export operations. Third, the movement of 10,000,000 bushels would cover the operating and maintenance deficits of the elevator and port, and anything over that quantity should show a profit. Such a greater movement would also wipe out the deficit on the railway. The trade services division of Saskatchewan estimates that on a movement of 16,000,000 bushels, the saving to the dominion government, in wiping out the deficit on operations of the Hudson Bay railway, would be close to $500,000.

Under section 2(a) of the Canada-United Kingdom wheat agreement of July, 1946, wheat can be picked up at Vancouver, the lakehead, Montreal or Churchill. The savings on freight from shipping through Churchill as to rail traffic would accrue to the Canadian wheat board, and such savings as might be made on the ocean freight would accrue to British shipping. The closest and most friendly cooperation between the various governments and agencies concerned will be necessary if this test is to be carried out. The technical committee set up, while invaluable in the matter of research, has no authority of itself. I hope that the interprovincial committee will press the dominion government in the matter, and that the latter will carry out its pledge to give every assistance.

I should like to underline one or two things I believe the dominion government should do. Through its Minister of Trade and Commerce and its Minister of Transport, it can render vital assistance. It can give a directive to the wheat board in regard to assembling the right quantities of wheat in the right places. It can see to it that the facilities of port and railroad are in good repair and up to date. It can ensure the safety of navigation by special precautions based on a study of navigation aids and the installation of high frequency to replace low frequency direction-finding stations. It can see to it that the radar used is the modern type, superseding the older type with which there was some difficulty in floating icefields. Then, too, only with the assistance of the wheat board can this scheme be possible; for one great problem will be the finding and the placing in strategic positions of the necessary wheat. The movement of wheat within the freight rate areas preferential to Churchill if necessary should be restricted in order to ensure that on August 1, 1947, sufficient wheat will be in that area to provide a fair test; and that amount, I suggest, is a minimum of 15,000,000 bushels.

The reluctance of the wheat board to move wheat to a location where it will be what the grain trade calls "out of position" is understandable. I would urge the fullest use of the government storage elevator at Saskatoon as a base for the supply of wheat for Churchill. Wheat stored there would be in position, no matter by what route it was shipped to the sea. This elevator has a capacity of 5,500,000 bushels, making the combined capacity of that elevator and the Churchill elevator some 8,000,000 bushels; and I understand that Mr. McIvor has given at least a verbal assurance that the Churchill elevator will be filled in good time.

So much for what the dominion government can do. We hope, too, for the cooperation of wholesale and retail business people of the prairies, cooperatives and other marketing agencies, in arranging for imports. The other day I heard of an order for two diesel engines from Britain which are to come through the bay. We hope the people of the maritimes will wake up to the possibilities of trade with Churchill and realize that they can send us their woollen goods, the products of their industries, send us their coal as ballast. If there were an elevator at Charlottetown to receive feed grain from Churchill, the whole live stock and poultry industry of the

maritime provinces might be revitalized. Maritime shipping would not be hurt and might be helped by trade with Churchill.

I now come to the question of the finding of the ships. Under the British wheat agreement our wheat will be hauled out in British bottoms. So we must interest the British government itself, the shipping agencies and companies, the cooperatives and export groups on the other side of the Atlantic. I said before, we had never had anyone vitally interested in finding business for the Hudson bay route. That situation is now to be changed. Mr. Graham Spry has been appointed as commercial representative of my province in London, where he has just arrived; and I think no one better qualified for that position could have been found. He will use his broad experience of affairs and his contacts within government circles in Britain to promote the trade upon which the development of the Hudson bay route depends; and Manitoba and Alberta, no less than Saskatchewan, will look forward with confidence to the success of his efforts.

Mr. MacNICOL: May I ask the hon. gentleman if he has any figures to support what, to my mind, is his good argument, as to the amount of cattle that could be moved from the prairies through Churchill? On former occasions they did ship large numbers of cattle to the old country through that port.

Mr. KNIGHT: I dealt with the question of cattle.

Mr. MacNICOL: Did you give the number? I did not hear that.

Mr. KNIGHT: No, I have no idea what the possible export might be, but the figure would be easily obtainable.

In conclusion, Mr. Speaker, I appeal to the government and to all parties in this house for support for this concrete objective for 1947. Let me summarize some of the arguments in its favour.

1. The movement of 15,000,000 bushels of wheat will provide a proper test, and is within the present capacity of the railway and port.

2. We are wasting the money of the Canadian taxpayers by not giving the route this test.

3. The small volume advocated will not compete seriously with the interests of any other port.

4. Movement in the quantity recommended would eliminate deficits and mean savings for (a) the Canadian government; (b) the wheat board and (c) British shippers.

5. The use of thirty to forty-five ships will provide a basis for reduction of insurance rates.

6. A full test of the port would reveal if there is need for extension of facilities or of navigation aids at the port and will add to our knowledge of radar and long-range navigation.

7. It is essential that the route be tested on account of the strategic importance of northern Canada.

For these and the other reasons mentioned previously I ask for what I think may be characterized as a cautious and reasonable test for the Hudson bay route in this coming summer and autumn of 1947.

Mr. WILFRID LaCROIX (Quebec-Montmorency): Mr. Speaker, since reference is made in the speech from the throne to the relations between the dominion and the provinces, allow me to present my views which are shared by the majority of wage-earners in this country.

Everyone admits that we are now witnessing a tremendous struggle between, on the one hand, the wage-earners who wish to be relieved as soon as possible of the heavy burden of income tax deductions from their weekly or monthly pay-cheques and, on the other hand, certain wealthy people from Toronto and Montreal, supported by all Tory newspapers in the country, among others the Montreal *Gazette,* who do not wish to pay their share of income tax to meet the consequences of a war policy which they have themselves enthusiastically endorsed and the cost of which has been exorbitant to the nation.

Those same wealthy fellows, most of whom live in Toronto and Montreal, have rallied around Drew and Duplessis, in order to ensure the failure of the dominion-provincial conference and, in the event of their death, spare their estates from difficulties with the income tax division, should the dominion authorities be entitled to investigate what they actually leave, as compared with the amount they have paid in income tax for the past seven years.

Mr. GRAYDON: The common people are with Duplessis and Drew.

Mr. LaCROIX: That is what you say. Mr. Duplessis has stated in the Quebec legislature that the levying of income tax from a dead man is unfair, since he is no more in a position to defend himself. My answer to Mr. Duplessis is that some people have defended themselves so well during their lifetime by piling up colossal fortunes through non-payment of taxes—and this to the detri-

ment of wage-earners who have to make up the difference—that no one need defend them after their death.

You know as well as I do, Mr. Speaker, that everyone admits today that certain wealthy people convert their holdings into bearer securities which they afterwards place in a bank safety deposit vault in the name of some member of the family, or of any other person, while carefully keeping the key themselves, these same bond-holders putting into their own vaults only securities of little value, which their estates will use as a basis when filing their returns to the provincial government.

Now, since only the safety vault of the deceased is put under seal at the time of his death, the family takes possession of the other vault containing bearer bonds and quite frequently divides a huge fortune accumulated during the previous ten years, either on the black market, or in some other way, and on which the deceased has paid little income tax, if any, thus committing a glaring injustice to the wage-earner whose income tax is deducted at the source.

It is also admitted that some Montreal millionaires rent safety vaults in Ontario banks in the name of one member of the family, or of some other trusted person, and that some wealthy individuals from Toronto are doing the same in Montreal; all this in order to avoid the filing of too high a return on succession duties to their respective provinces, and especially so as to prevent the dominion from recovering the income tax which has not been paid for seven or eight years.

Some may object and say that this is the only way of subscribing to election funds or of bequeathing what is called "conscience money" to religious or charitable institutions without interference from the income tax division, but I regard such a practice as a robbery whose victims are the wage-earners who must pay the difference. Did not Christ say: "Render unto Caesar the things that are Caesar's"?

I am certainly in favour of having all moneys collected as succession duties remitted to the provinces, but I believe that the only way to arrive at a true valuation of an estate is to leave to the federal government the right to collect such duties, because the dominion government has control over our whole banking system and may also use its facilities for international relations to deal with estates having safety deposit boxes in foreign countries. That, however, is beyond the power of Quebec or Ontario whose control over the banks does not extend outside their respective territories.

Those monopolizers are so anxious to avoid paying the state its due, which in their case represents a fortune, that, rather than be caught, they would sooner sacrifice their bearer interests and dividends. I am sure that our large public utilities and manufacturing companies know what I mean, and so does the government on whose bonds the unclipped coupons are accumulating.

That explains why so little is collected in succession duties by the provincial government in the Montreal district where so many enormous fortunes are concentrated. Should the task of collecting these duties be left to the dominion government it would mean a much larger revenue, and the province would then be in a position to help more substantially our school boards and municipalities for whose welfare the province is directly responsible, not to mention the setting up of a public works programme as a means of alleviating unemployment.

The hon. Minister of Finance (Mr. Abbott) himself has said, and I am sure he will confirm my assertion, that if the federal government had the right to legislate in the matter it would be in a position to recover millions of dollars legally owing to the state, thereby reducing in like proportion taxes deducted at the source from the wage-earner's pay envelope. This would undoubtedly allow for an important reduction in the tax rates of the wage earners under the $3,000 bracket from whom, as we all know, the largest proportion of income tax is collected by the federal government.

There are cases where a man's death offers the only opportunity to ascertain whether or not he has paid his income tax. In the United States as well as in Great Britain the control over both income tax and succession duties rests with the central government. It is devised as a means of gradually eliminating the taxes paid by the wage-earners, who form the bulk of the population. When a man dies in those two countries the seals are affixed to any strong-box he may have in his home. This also is intended to reduce the amounts paid to the state by the small wage-earner. The province of Quebec has no income tax and, if it had, the federal government would no doubt be invited to do the collecting. I am of the opinion that in thus keeping the federal government away from this field a serious injustice is done to the wage-earner

As to the failure of the dominion-provincial conference, you may rest assured, Mr. Speaker, that the real responsibility rests with some Toronto and Montreal millionaires who, worried over their own interests, have brought pressure to bear upon Drew and Duplessis in order that they may do their utmost to impede the conclusion of any arrangement so long as the word "succession" appears on the agenda of the conference. That explains why Duplessis offered no alternative, but simply shut the door with a bang and returned home.

You know as well as I do, sir, that the rich capitalist or the man operating a business of his own is in a far better position than anyone else to avoid taxation, a practice which I regard as criminal since the difference must be borne by that poor sucker, the wage-earner. Only an equitable distribution of taxes levied to pay the tremendous cost of the last war will prevent the spread of communistic ideology. As you well know, communism is taking full advantage of the unfair distribution of our national wealth to prey upon the minds of our working people in the hope of finding them willing and ready to accept this new way of life.

The suppression of income tax would help the wage-earner in the lower income brackets to improve his family budget, thereby eliminating the misery which is, in many cases, the most potent and virulent microbe of communistic disease, the contagion of which we all want to avoid in the interests of our economic stability.

Some taxpayers make honest statements of their income. However, when a person who has paid practically no income tax leaves several thousand dollars upon his death, the greater part of which was accumulated during the past ten years or so, surely that money did not fall into his lap of its own accord.

I think it is unfair for a family to divide among themselves a fortune which was accumulated out of the income tax paid by the majority of wage-earners. You may rest assured, sir, that the supporters of Duplessis and Drew prefer making important subscriptions to the election fund to paying heavy amounts accruing from their estates. There are those who will no doubt argue that certain Liberals think otherwise, but it does not matter since it is not the first time I have held a different point of view.

Mr. Speaker, members of the Liberal party enjoy freedom of thought, which is the best means of assuring the party's evolution. However, this is the antithesis of the attitude within the Duplessis party, where each and every member is compelled to "follow the Fuehrer". Have you ever found such men as Cardin or Power in the Duplessis party? You may seek all you like, but, "It will avail ye nothing". The wage-earners of Quebec, that is the majority of the people, should not be compelled to assume the cost of a war which they did not want and which I certainly did not want either. Why should we let Toronto and Montreal millionaires enjoy a fortune, part of which is derived from the income tax paid by the common people to cover those war expenses?

People in Quebec who own small fortunes have nothing to fear, because, as everyone knows, there are no succession duties, or practically none, on estates of less than $20,000. So, if in the future our Quebec farmers are compelled to pay income tax it will be as a result of the present attitude of Tories like Duplessis and Drew. Again, if Quebec cannot attain social security and obtain an old age pension payable at sixty-five years of age or under, the blame should be laid on Duplessis and Drew, who have compelled the wage-earners to pay these taxes alone, or almost alone. They cannot continue to do so without decreasing the purchasing power of the people and bringing about a period of unemployment more acute than that of 1931.

It seems to me that Liberalism has always been prompted by the interests of the people. It should understand, therefore, that in both the provincial and dominion fields no income tax is fair unless it is on a common basis with succession duties because, if there are honest people, there are also scoundrels and Scrooges. Moreover, no government will be able to control the situation unless it has the power of enacting laws to that effect.

I am in favour of autonomy, but not to the point of forcing wage-earners to pay taxes for those who do not. Income derived from succession duties should remain the property of the province of Quebec, but it is essential that the dominion be allowed to legislate in that field since income tax is collected by the federal government. Even though provincial legislatures have the same right as the dominion to tax income, we must realize that income tax is now a federal responsibility and that it will remain so for some time to come. Wage-earners should, therefore, be granted relief from taxation. Taxes will decrease inasmuch as the dominion government is able to recover its legitimate dues. Furthermore, Ottawa would then be in a better position to expand social security plans on behalf of farm, industrial and forest workers who are in dire

need of such help when old age robs them of the physical ability to earn a living for themselves and their families.

I know that some large newspaper owners hold other views on the matter and that I am coming up against vested interests; but I do not mind at all; I am used to it.

Invisible forces are at work even here, in Ottawa. Drop the succession duties item from the order paper, and you will see Messrs. Duplessis and Drew come to terms with the dominion. Their declarations about autonomy will vanish as if by magic, since they will no longer have the support of high finance which has always been the backbone of Toryism.

The same men who claimed that the government never spent enough money on war are now trying by all the means at their disposal to avoid paying for it.

I certainly do not approve all the government's policies, as my votes in the past have shown, but when the federal authorities are in the right, one should have the courage to congratulate and support them.

I urge my compatriots who are each week deprived of part of the pay which they so urgently require to provide for their families' vital needs to join forces with the Liberal party whose loyal stand behind our great working classes should encourage them to act. Let them oust Duplessis and his gang, who are using autonomy as a screen to hide the plutocratic selfishness of the few.

The Tories, even in this very house in Ottawa, are 100 per cent behind Duplessis and Drew on this succession duty business. I therefore offer this truth as a conclusion, Mr. Speaker: Tory in Ottawa, Tory in Toronto, and Tory in Quebec; they are but one and the same thing.

MAIN ESTIMATES, 1947-48

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1948, was presented by Hon. Douglas Abbott (Minister of Finance) and read by Mr. Speaker to the house.

Hon. DOUGLAS ABBOTT (Minister of Finance) moved:

That notwithstanding standing order 57 this house will resolve itself on Wednesday next into committee to consider of supply to be granted to His Majesty.

Motion agreed to.

Mr. ABBOTT moved:

That His Excellency's message and the estimates be referred to the committee of supply.

Motion agreed to.

At six o'clock the house took recess.

[Mr. LaCroix.]

After Recess

The house resumed at eight o'clock.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, coming from a large financial and industrial centre such as the Toronto district, I wish to say something tonight regarding the motion which is before the chair. This is one of the few opportunities afforded a private member to bring before the house and the country some constructive suggestions, not by way of criticism of the government, because, after all, the function of the opposition is to try to aid the government as far as possible, so long as it is the government of the day and has the confidence of the people.

We have one of the largest taxpaying districts in all Canada. I may say that twenty-nine per cent of the postal receipts come from that district and we pay $13,000,000 towards the post office each year. Unfortunately, however, for the first time since confederation we are without cabinet representation. Indeed, we have not had in the cabinet a representative from the Toronto district since 1935, when the Bennett administration was defeated. However, we are not suffering greatly in any way as a consequence because there are a couple of very good members on the other side representing our city and we all get along very well together.

If you look around you at home and abroad today, Mr. Speaker, you will find only a storm-tossed world. That is natural after such a vast conflict as we have gone through. It was only to be expected that after such a war there would be a grave dislocation of business and that things would be upset generally. We as a country, however, were singularly fortunate, because we were not invaded during that war, although we came close to it.

I submit, sir, that the Canadian people today are expecting some relief from the intolerable conditions that exist. I admit that the government has a very hard task before it, saddled as it is with all the expenditures which a government must face after such a terrible war. Nevertheless, there are certain features of the situation that do not appeal

to the businessman. For one thing, the businessman is complaining of the overgovernment and overtaxation we have in Canada today, dominion, provincial and municipal. Each of these agencies is announcing extra burdens for the people to bear.

It is unfortunate that we have not seen in Canada some of the reforms that I for one have been advocating for some considerable time now, reforms which we should have had years ago. In 1927 I introduced into the house the question of parliamentary reform such as was instituted in England many years ago. We should have also constitutional reform, cabinet reform and law reform. All these reforms have been brought about in the old land.

In the course of the debate in 1927 the then minister of justice, an able man, said that he would see that the maritimes were given a royal commission to investigate their grievances concerning many matters that were brought to light at that time, and that was done. As to constitutional reform, I submit that the time has come when we should have something of that sort in this country. It is long overdue. In fact, it was due at the time the war broke out. The time is ripe also for cabinet reform and law reform along the lines indicated in this house.

In my opinion there has been altogether too much collecting of funds from the public for various purposes. Every day the ordinary businessman receives half a dozen letters from various agencies demanding subscriptions to one undertaking or another, and with the heavy taxes that we already have to bear, federal, provincial and municipal, the people cannot stand this extra burden. I know that members of the House of Commons receive such letters because I have seen some of them opening their mail, and every morning I notice half a dozen letters from various people seeking relief or money or assistance for one reason or another.

Taxation being what it is, there should be some central government agency to take care of all these demands. There was a government agency that operated under what was known as the War Charities Act, the purpose of which was to regulate all such appeals. Something of this sort is needed because there are altogether too many demands on the public today.

We have requests coming also through radio propaganda, but the people are not told the truth about public affairs. Then you have the Gallup poll. It seems to me it is all Gallup and no poll. I believe there was a racehorse known by that name that ran at a racetrack. We on this side of the house have not the public ear, although we polled a large vote at the last election. I suggest that the government should direct all these activities. As regards the Gallup poll, may I ask who conducts the poll? Has anyone in this chamber a vote? I doubt very much whether the leader of the house tonight has a vote in the poll. I do not know whether he bets on racehorses. I bet on a horse Gallup once myself and it was the lamest duck you every saw. It was like the Gallup poll, which has so much to say about the government, about our hon. friends to the left and others.

I suggest to you, Mr. Speaker, that the Canadian people today are demanding relief from the intolerable control system which we have in Canada. We are overgoverned and overtaxed, and we find now a slowing down of the process of reconversion from a war to a peace economy. The people were expecting much more satisfactory progress in reconversion than we have had, and, dear knows, they are entitled to it. The Canadian people are long-suffering, but there is a limit to their patience, and that limit has been reached. I do not say that by way of criticism of this government, because I believe the people are criticizing all governments. The fact is, however, that mistakes have been made in the process of reconversion and the people are losing confidence in all governments. They are being called upon to pay too many taxes.

The people are not acquainted with the facts. I think there is too much soothing syrup being served up for the comfort and happiness of the people. There is no sacrifice that Canadians are not prepared to make if it can be shown that they are in the public interest. I believe our people are willing to face the facts, if only they know what the facts really are. But they want to be told the truth. They will no longer be treated as they have been. They want to know the truth, the whole truth, and nothing but the truth about what is going on, not only here but throughout the country, in connection with all these matters for which they are being taxed. They want to know how our public business is being conducted, and they want to know the official truth. They want to have something besides propaganda.

After all is said and done, who is paying for the great war and for the reconstruction days after it? The public back in the constituencies are. Some of them have already contributed blood and treasure which is uncountable. It is the ordinary man back home in the country who pays, and he is looking for a better deal from everybody.

There are some truths in connection with public affairs which I should like to mention. As I have always said, I have always believed in the maxim that if you tell the people the truth and trust them, they will trust you. Never be afraid to tell the public that you have made a mistake, because the public back in the constituencies do not expect their leaders to be gods. I would commend that truth to some of the younger members who have come into the house and have done very well.

As I was saying the other night at a commencement in a large collegiate institute, some of the graduates will sooner or later be treading the thorny path of public life; they should pay strict attention to what their constituents say, and nothing that anybody says should prevent them from doing what they themselves think is right. After all is said and done, the greatest crime in history was committed by one who thought he was doing what was right, and had public support for it, namely, Pontius Pilate. It is not cleverness which is lacking in this house and in the constituencies, or in our leaders in all countries; it is an independence of character which is lacking in them. As the late Edmund Burke said when he laid down the duties and functions of a member of parliament to his constituents away back at the time of the American revolutionary war: to be a good member of parliament is not an easy task. He laid down the general principle that a member of parliament owes a duty not only to the constituency which he represents but to the country at large.

Coming to the reconversion question, I have been very much dissatisfied with the way in which large and small business has been hamstrung. I admit that the control system is a very hard thing to get rid of, because once a controller, always a controller. He thinks he is indispensable. He thinks the country cannot get on without him, and he is over the whole civil service. Price control, unless unified with wage control, is no control at all and means inflation. Since the war closed, the board has been seeking to control almost every walk of life and almost every commodity over parliament's head and without any responsible action by a minister of the crown attempting to check or regulate it. The ministers never even see the speeches. These officials just issue them over the heads of the ministers. In answer to a question I asked of one minister as to whether he had any control over them, or did he see the proposed measure, he said, no; he had just received general instructions about it. In that way these controllers have the advantage of the dead hand of the treasury because the treasury is more or less inactive in that connection; and, when it exists, it is only an academic non-existence.

Since the war closed, the board has hamstrung almost every private business. If you go into a small retail store or go into a larger departmental store you will find that they are continually being asked by their customers, where and when are we going to get rid of this system? It is a tragedy that nobody can conduct his business in the manner which he should be able to do, from the commercial aspect, because of the large number of information reports which he has to make from time to time, which is something which is giving a headache to nearly all those operating large and small businesses and to departmental managers in the big stores. I hope something will be done to eliminate this as soon as possible, because the board's actions threaten our system and Canada's prosperity in reconversion. Many of these officials who have charge of this control system have never been trained in trade or commerce. They almost have the dead hand of the treasury on all kinds of business.

Do not forget this: there is a great deal of material decay in Canada. Canada is going to face some hard times in the days to come. We have squandered our natural resources at a rapid pace. We have given our best asbestos away in the raw state to the United States, and other metals. Asbestos finds work there for 36,000 hands. The result is that a large number of young people who will graduate this spring from the universities of Canada have already decided to depart and go to the United States to find work at better pay and less taxes. I have opposed this in and out of the house from time to time. As I said away back on the first day we met here in this chamber in a similar debate, there is an insistent demand all over the country that the government should make some declaration of policy regarding control bodies and bureaucratic expenditures which are being made over the head of parliament. At the present time there is virtually no control. All kinds of bodies are spending a great deal of money over the head of parliament. Every principle for which the British nation struggled in the old land since the seventeenth century has been surrendered to the political caucuses. Parliament itself, which came into being to ensure that taxes shall be voted only by those who have to pay them has become the institution through which those who do not pay them impose them on others.

I wish to emphasize to the house that the powers of legislation, even older than the right of taxpayers to determine the national

expenditures, have been surrendered and, if we are to continue this sort of thing, the power of parliament will be gone forever. Whole spheres of activity involving the livelihood of every man, woman and child in this country have been removed from the jurisdiction of the law and of parliament and reserved for the determination of tribunals, irresponsible, irremovable, governed by no control and subject to no appeal. I do object, now that the war is over, to the way that business is being conducted over the head of parliament. We are told that parliament is supreme. If parliament is supreme, why has it not now control over these outside bodies and their expenditures and in the result we shall only hold a postmortem as the money is spent.

Coming to my own province, the province of Ontario, I wish to say a word or two about it. I have always been in favour of the principle of confederation and the old Cornish battle cry of "each for all and all for each." I believe that what is good for one province is good for them all. Ontario and the province from which you come, Mr. Speaker, are the two industrial provinces and were contributing before the war about seventy-six per cent or seventy-eight per cent of the cash taxes of Canada. I might go on to say that I never believed in the Sirois report. I thought it was very unfair in many ways to the province from which I come. We in Ontario have a large number of members of parliament, but they do not seem to stand up for their province in the same way as do members from British Columbia, the maritimes and the prairies for their respective provinces. I hope there will be an improvement. I have spoken about the matter myself, and I hope we may have further assistance in seeing that our own great province gets a better and fairer deal. In my opinion, and I am sorry to have to say this, Ontario seems to be the forgotten province of confederation.

I now come to the question of income tax. Up to 1917 this belonged exclusively to the municipalities since confederation; it was collected in the municipalities where it was earned, and was used to relieve the burden on real estate. In 1917 the income tax was taken away from them by Ottawa. I opposed that at the time. We came here to meet the government about it, but they imposed the tax anyway. Then the province came along and imposed a provincial tax of one mill on the dollar. At that time Ottawa said that the tax would be imposed by the federal government for one year only, or until the war was over; they are now collecting the whole thing. What have the municipalities left to relieve the burden on real estate? I do hope some better and fairer way of taxation handling this question will be found.

In regard to housing, I am sorry to say that this is an acute problem in our city. I have visited some of the homes of our soldiers, and I have found disgraceful conditions. In 1935, the federal administration, on my resolution in the house, appointed a committee on the matter of housing and reconstruction, which prepared a report as to what should be done. The government opposite, which came in after, in 1937, has done a good deal to help solve this difficulty, but much remains yet to be done. I supported an amendment to our report which would permit the banks to lend money on these houses at a low rate of interest. Over $90,000,000 has been spent in the Toronto district alone in connection with these houses, which have gone up to the north, south, east and west of our city. To serve them, existing light, power and transportation systems by our civic car system had to be extended, and a great deal of good work has been done in that connection. I hope that further efforts will be made, and that non-essential construction will not get the materials, but that priorities will be given for housing. I trust we may see a year of real progress in meeting the housing situation.

As I visit some of the institutions of this country, I find many returned soldiers in them. Only a short time ago I noticed lengthy articles in the Ontario newspapers about a poor soldier with no charge against him, being detained in the gaol at Orangeville because the magistrate had no other place to put him. He had been in the hospital there for six weeks; when he was put out, the counties of Dufferin and Grey quarreled as to who should pay for him. I have seen this sort of thing in the past, and I should think things would be different under our charter for soldiers. These men bore the burden and heat of the day; many of them are too poor to provide adequate accommodation for themselves and their families and now, after the services they rendered, we find them in this condition. The Minister of Veterans Affairs (Mr. Mackenzie) has hundreds of employees at 55 York street, Toronto. I believe his department should carry on a survey all over Canada so that, if the provinces and municipalities will not do what is necessary, something may be done to take these men away from such gaol institutions as I have mentioned and to find them a decent home with federal aid.

Recently the Canadian institute of mining and metallurgy met in Ottawa, and in attendance were delegates from all over Canada. The universities have turned out magnificent

engineers to develop the mines and natural resources of this country. His Excellency the Governor General addressed that meeting and showed himself a statesman. He made a wonderful speech, in which he made several helpful, constructive suggestions in regard to the development of our natural resources, following his visit to the northwest territories. This afternoon I was glad to hear the government, through the Minister of Finance (Mr. Abbott), announce some concessions to the gold mining industry. I hope that this will be only a beginning, that these concessions will be extended to base metals and other types of mining, because, if ever there was a country where Providence had done so much and never man so little, it is Canada. I do hope that during May and June of this year the graduates of our universities will not have to go to the United States to look for jobs. This morning I met a young man whom I did not recognize at first; he is looking younger all the time. I knew him well at the university of Toronto, first as a student. I refer to the great Doctor Best, of Varsity, co-discoverer of insulin with Sir Frederick Banting. I remember when he and Sir Frederick Banting were associated in Toronto. At that time Doctor Banting had an office in London. He received an offer and was thinking of going to the United States. If he had done so, what would have happened to that great discovery they made? Doctor Best is one of the world's greatest scientists and a wonderful man who has brought health to thousands. He has the element of greatness, humility and usefulness like all great men.

When I speak of medicine I must say that the strides science has made have been phenomenal. Our expectation of life has been increased. Medicine is said to be the brightest gem in the crown of science; her achievements have been so impressive, so far-reaching as not merely to silence all criticism but also to arouse a noble enthusiasm and enlist in the cause of humanity a legion of recruits, missionaries of her gospel. If medicine has not mastered at least it has diminished pain and robbed it of its terrors. Plagues and pestilences have been stayed; a multitude of diseases—diphtheria, rabies, smallpox, typhus, yellow fever, Maltese fever, to name only a few—have been almost exterminated. Great scourge-ridden tracts of the earth's surface have been rendered habitable; food values have been understood; vaccines and anti-toxins have been discovered; antiseptic surgery has been so established as to open up new fields of remedial agency; ailments of the mind as well as of the body have been controlled and relieved. This is an achievement to which no previous age in history can produce a parallel. Within a century the expectation of life in all civilized countries has been amazingly increased; in our own country by sixteen years; in Denmark by seventeen years, in parts of America by fifteen years. These are the facts. What is happening to science now, with the discovery of the atomic bomb? There were days when the church turned its back on the scientists and imprisoned them. Today, however, religion and science are marching hand in hand because today people are turning to religion more than ever before, largely because man does not know what to do with this new atomic invention he has discovered and science has come closer to religion at last.

In conclusion, I should like to add a few words on the subject of foreign affairs I dealt with last night. I believe we cannot get on without the imperial preference, which proved such a wonderful thing between the two wars. The Ottawa agreements increased the trade between Canada and Britain by forty-one per cent and between Britain and Canada by forty-three per cent, and we have had multilateral trade. Formerly it was known as most favoured nation treaties. We made these treaties with some thirty-two different countries between the two wars, but they brought us very little in the way of exports. What countries can afford an export market for Canadian goods? Upon exports we live. Markets are available with respect to many things, but the only great agricultural market left in the world for Canada is Great Britain. We acquired a preference in that market for wheat at six cents a bushel, which Sir Wilfrid Laurier once said he would give almost anything to obtain. It is equally true that the preference on apples, pears and so on meant the sale of a million barrels of these fruits from Nova Scotia in one year. What we lack is markets for our exports; and if anyone thinks we are going to find in the United States a market for either our agricultural products on any substantial scale, or for manufactured goods, I am afraid he will be disappointed. The only things they will be willing to take from us are the raw materials from which to manufacture finished products, as they have done previously.

I am much disturbed at the present state of the world. I do not like the terms of the loans made by the United States. In my opinion they are much more like the ruthless and vindictive demands of a victor made upon a vanquished foe than arrangements between allies. It must be apparent by this time that, had it not been for Britain alone, and with

her holding out as she did, all would have been ended, and there would have been a complete collapse of civilization.

As I look around me today I am pleased to note that a great soldier has been made secretary of state for the United States. I refer to General Marshall, who has succeeded the other great head of that department, Secretary Byrnes, who had to retire because of illness. General Marshall did not have what is known as the tradition of American politics as horse trading, but the fact remains that they have given him this office. General Marshall brings to his task the qualities of a first-class soldier, and he has taken office at a crucial time in the history of the world. He has won for himself the high regard of those Britishers who were associated with him in the war. I believe the new secretary of state is a man of great culture and high intellectual attainments.

It is my belief, however, that sooner or later his country will become isolationist, because it has never had a foreign policy. They have fought four wars without having had a foreign policy. Two of them were fought in our generation against Germany; one against Spain and one against the Philippines. Then they took part in the first great war. Yet they have come down to the time of the last great war without having had a foreign policy.

Another important subject will be taken up next week in Moscow. I refer to the subject of the bases. The principle of the joint Anglo-American use of bases is now in full operation. But the precedent of long-term leases of bases from Newfoundland to British Guiana, under the fifty-destroyers agreement of 1940 contains the seeds of future conflict. That agreement, which confers 99-year leases on the United States, does not provide for the British use of these bases and apparently contains no release clause in any form. If bases are to be held jointly such arrangements should be made on terms of strict reciprocity. In the present case, the use of land and the cost of bases in allied territory should be charged to lend-lease account and an agreement should at the same time be made to terminate the 99-year lease and cancel it and to transfer the costs of the destroyers to lend-lease account.

An agreement should be made along these lines, and I hope it will be made in Moscow next week. The true cost of those destroyers should be charged to lend-lease account; in fact, that should have been done long ago. Those ships had very little value in the war, because at that time the battle of the Atlantic was being fought, and the British navy was bearing the brunt of it.

I would say as the great Kipling said in "The English Flag":

> "And what should they know of England who only England know?—
> Never was isle so little, never was sea so lone
> But over the sand and palm trees an English flag was flown."

Wordsworth said on the death of Milton:

> "Milton! thou should'st be living at this hour:
> England hath need of thee!"

So I can say: Kipling, thou should'st be living at this hour; Britain hath need of thee.

One of the outstanding events in recent days has been the visit of Their Majesties and the two princesses to South Africa. They landed at that beautiful city of Capetown, from H.M.S. *Vanguard,* and have seen that magnificent country, with its flowers and historic beauty. Drake on his tour of the world called it a great harbour. Their Majesties and the princesses have gone through that country, just as they went through Canada shortly before the war broke out in 1939, at which time they won the admiration and affection of all our people. In no part of Canada did they get a warmer reception than in the province of Quebec. They are beloved by all the people of this country.

It was Field Marshal Smuts who prepared the speech from the throne. The king is the King of Canada; he is also the King of South Africa. They are now trying to build up a republic in South Africa. During the war Field Marshal Smuts rendered a service of great value. His life's work has been devoted, however, to the establishing of a republic in that great country.

A few days ago I referred to what I considered were three very important matters. First is India. Then comes the abandonment of the Suez canal, which was called by Mr. Churchill the jugular vein of the British empire. Equal in importance is the issue in Palestine. These are the most important matters at the present time. Then, one must consider the preservation of Greece. I do hope that we will arrive at some solution of these problems in the days ahead, because the British empire has been one of the greatest agencies for good that the world has ever known.

As we look around us we see a tendency toward the dissolution of the empire. Many people do not believe in empire; I gave their names last night, and some of them would have it liquidated. I fear a great mistake has been made by Great Britain in respect of India, and I hope some solution will be found before it is too late; because, after all is said and done, Great Britain has given India peace, security and justice for over 100 years,

and freedom to 400 millions of India with security and none were armed. If she stepped out tomorrow, somebody else would step in. I fear that soviet Russia would come in and draw an iron curtain across that country. It is my view that a tragic mistake has been made by the government, and it is my hope that before many months have passed something will be done about it to repeal such a foolish proposal to withdraw British control of India, a blessing for over 100 years. The same of the Suez and the Nile. It should be held by Britain for security reasons.

I have mentioned bases in the Atlantic, the Arctic and the Pacific. At the present time the United States is saying that the Pacific is her territory, just as Mussolini talked about *mare nostrum,* meaning the Mediterranean. The truth is that Great Britain, before the war had control of the Pacific entirely. She was mistress of the seas. The mother country gave the world peace for 100 years between Waterloo in 1815 and the outbreak of the first world war in Belgium in 1914. She gave the world peace and security, just as she has given India peace, justice and security for the past 100 years.

May I say in conclusion that I should like to read briefly from Green's "Short history of the British People." I am sorry this book is no longer found in our schools. It was Woodrow Wilson's favourite history. In this extract the author is referring to Great Britain's losing the American colonies, but Britain survived that disaster, and he says:

> What startled men most at the time was the discovery that England was not ruined by the loss of her colonies or by the completeness of her defeat. She rose from it indeed stronger and greater than ever. The next ten years saw a display of industrial activity such as the world had never witnessed before. During the twenty years which followed she wrestled almost single-handed against the energy of the French revolution, as well as against the colossal force of Napoleonic tyranny, and came out of the one struggle unconquered and out of the other a conqueror. Never had England stood higher among the nations of the old world than after Waterloo; but she was already conscious that her real greatness lay not in the old world but in the new. From the moment of the Declaration of Independence it mattered little whether England counted for less or more with the nations around her. She was no longer a mere European power, no longer a mere rival of Germany or Russia or France. She was from that hour a mother of nations. In America she had begotten a great people . . . Her work was to be colonization. Her settlers were to dispute Africa with the Kaffir and the Hottentot, to wrest New Zealand from the Maori, to sow on the shores of Australia the seeds of great nations. And to these nations she was to give not only her blood and her speech, but the freedom which she had won. It is the thought of this which flings its grandeur round the pettiest details of our story in the past. The history of France has little result beyond France itself. German or Italian history has no direct issue outside the bounds of Germany or Italy. But England is only a small part of the outcome of English history. Its greater issues lie not within the narrow limits of the mother island, but in the destinies of nations yet to be. The struggles of her patriots, the wisdom of her statesmen, the steady love of liberty and law in her people at large were shaping in the past of our little island the future of mankind.

(Translation):

Mr. GEORGES H. HEON (Argenteuil): Mr. Speaker, I should hate myself for speaking after my hon. friend from Broadview in any other language but French. Knowing as I do that he and his constituents have always favoured bilingualism in this country, I wish to pay him a tribute that will help him secure re-election and shall therefore preface my remarks with a few words in French.

It is a matter of deep regret to me, Mr. Speaker, that the adjournment of the debate on the address in reply deprived me of an earlier opportunity to congratulate my two French-speaking colleagues recently elected in Pontiac and Richelieu-Vercheres. Their maiden speeches in this house have been rather remarkable although they probably realized that parliamentary oratory has little in common with the hustings, for enthusiasm is not as easily stirred up here as it is in an electoral campaign. Nor could my hon. friends fail to realize that French-speaking members are to be found on both sides of the house and that, while the latter are not uniformly smitten with the liberalism practiced by the present government since 1940, and while they have not applied for membership cards in Union des Electeurs, they will none the less work with the liberalism practised by the present in any concerted effort in the service of their country, Canada.

(Text):

Mr. Speaker, at this date and therefore quite belatedly I want to extend my congratulations to the hon. member for Portage la Prairie (Mr. Miller) and the hon. member for Parkdale (Mr. Timmins) upon having been elected to the house. Winning a by-election when one's political party is in opposition is a considerable achievement, no matter how you look at it and whether you sit to the right or left of the Speaker. In the case of these two hon. gentlemen I am informed that this is a richly deserved reward for their excellent record of public service in the realm of municipal government, which is indeed the government nearest to the

people. They are most welcome to this green chamber where I hope much distinction awaits them.

The mover (Mr. MacNaught) and the seconder (Mr. Cournoyer) of the address in reply to the speech from the throne have been rightfully congratulated upon their speeches. They performed a brilliant feat in managing to say so much so eloquently about a message which contained so little of any definite meaning to so few. The very vagueness of the terms of the speech vaguely indicated a vague situation which it was vaguely proposed vaguely to remedy. Even with the legislation already placed before this house, one can only surmise the trend and purport of the legislation which will be brought down later. It might not be amiss to utter some words of warning as to the pitfalls which lie clearly ahead for all Canadian statesmen. In the field of international relations the situation is not reassuring, notwithstanding the bland pronouncements of well-meaning and honest statesmen whose good faith is being thoroughly exploited by others whose bad faith is becoming apparent even to the man on the street.

It must not come to pass that one may outwardly prepare to sit at the peace table and secretly prepare to sit at a council of war. The old diplomatic game of playing for time, bluffing, ace in the hole, must give way to blunt speaking, fair dealing and cards on the table. A distinguished Canadian clergyman who was chief padre of one of our Canadian divisions in Europe was repatriated last summer. He was able to travel fairly extensively in conquered Europe, and he told me recently that in some of the conquered territories the population were praying secretly and hoping for another war which would rid them of their recent conquerors whose rule was more cruel, more autocratic, than that of their former ones. Did we enter the late war to legalize wholesale displacements, wholesale looting and wholesale disfranchisement? It is high time that the world was informed that, so far as Canada is concerned, it will not be a party to a treaty which will encourage sanctions or foster the geopolitics and dictatorships which we were asked to help destroy in the gestapo and wermacht. Shall the "Big Four" turn out to be the Big Stick? What then becomes of the solemn pledges of the Atlantic charter to all the small nations of all the world? What, then, will be the lot of the common man, the small man all over the world, who has been asked, and is still being asked to bear in times of precarious peace and reconstruction the same preponderant share of the burden and sacrifice he bore during the war?

If the words of democracy and freedom are not to be further indecently uttered and invoked some definite and concrete reassurance must be given by the great powers before treaties are signed, and in the texts of the treaties themselves, that the small nations, the small men, wherever they may be, have nothing to fear, and that their moral, political, economic freedom, security and welfare will be fully and permanently assured and safeguarded.

In fewer words the "Big Four" may have titles to ensure and direct the true destiny of our civilized world, but since when have they the right to dominate it? Our Canadian government took a definite step in the right direction when it lately made known Canada's views to the special agents sitting in London. These views were in conformity with those of the right-thinking Canadians of all political parties.

The speech from the throne made passing reference to interprovincial relations. This is a subject loaded with dynamite and of great concern to all of Canada. If it is not finally, fairly and justly solved, for the nine, not the six provinces, it may lead—and I wish to emphasize this—to internecine strife, distrust and discontent.

Great emphasis has been laid by previous speakers and eminent members in the house on the fact that six provinces have already accepted federal proposals. It has been underlined, not without some ironical touch, that some difficulties were being experienced with Ontario and Quebec and that Premiers Drew and Duplessis were somewhat adamant and unreasonable in their demands. Much less has been said about the obstinacy of Nova Scotia, where apparently a Liberal administration holds sway. Most speeches made in this house have given the impression that if Messrs. Drew and Duplessis were in the Liberal ranks they would be more amenable to an agreement and that there lies a sinister political behind their stand. I for one cannot see the matter in that light. Ontario and Quebec have a greater population and pay more taxes than the other provinces put together.

Mr. CRUICKSHANK: Where do you sell your products?

Mr. SPEAKER: Order.

Mr. HEON: As one back-bencher to another, I may tell the hon. member that I cannot hear him.

Logically they have, therefore, a greater interest in the proposed agreements and

Premier Drew of Ontario and Premier Duplessis of Quebec have a correspondingly greater share of responsibility.

Mr. CRUICKSHANK: Why do they not show it?

Mr. CASSELMAN: They do.

Mr. HEON: We shall come to that later.

Mr. SPEAKER: Order.

Mr. HEON: Will the hon. member listen to this, please? Public men, real he-men, who speak for seven-twelfths of the population of Canada are certainly entitled to as much respect and consideration as those who speak on behalf of half a million. In the case of the Hon. Mr. Duplessis—and I am not asking the house to share my opinion—he is most ably directing the destinies of the province of Quebec. He finds himself as premier of a province—and I ask hon. gentleman opposite and all hon. gentlemen in the house to remember this—wherein dwells the bulk of the French-Canadian population of Canada, and there are certain and most important items to be remembered. Quebec is Quebec. The premier of any party who is elected in the province of Quebec must, does and should always remember this: he is the elected premier of a province where there are certain particular and most important traditional, cultural and racial factors which have to be taken into account. If hon. gentlemen could have read, as have I and all the French-Canadian members on both sides of the house, the editorials in French-Canadian newspapers, resolutions passed by national societies, youth societies, municipal councils, and school boards, approving the premier of Quebec, possibly all of us here would not be so hasty—

Mr. CRUICKSHANK: What do Jehovah's Witnesses say?

Mr. HEON: I want to tell my hon. friend this. I am prepared to discuss that subject at any moment, but he is too broadminded to bring that matter into the house at this time. Later on, if he wishes to, I shall be glad to discuss it.

Mr. SINCLAIR (Vancouver North): Page the hon. member for Lake Centre.

(Translation):

Mr. HEON: Has any other hon. member said that he was willing to discuss the matter of Jehovah's Witnesses?

Some hon. MEMBERS: Yes.

Mr. HEON: Who said that?

Some hon. MEMBERS: No one said that.

[Mr. Heon.]

(Text):

Mr. HEON: Be that as it may, both Premier Drew and Premier Duplessis are duly elected prime ministers of their respective provinces; and there is certainly nothing to show, in the light of recent provincial by-elections, that the confidence placed in them by their fellow citizens has lessened in the least degree.

We have been told that the legislatures of Ontario and Quebec will fully examine and discuss federal proposals at their present session. Surely, Mr. Speaker, we in this house have sufficient respect for the provincial legislatures not to deny them, as the freely elected spokesmen of their provinces, the right to speak for their constituents on so important a problem.

Personally, and I speak for myself alone, I shall await with a great deal of interest—and not electoral but Canadian interest; that is what I have in mind—the outcome of the discussions in the provincial legislatures. Coming from Quebec, and proud to come from Quebec, I cannot fail to be influenced by what my own provincial legislature will decide.

May I add just one more word, Mr. Speaker? There are rumours circulating in this house that the country may be heading toward another general election. The Prime Minister (Mr. Mackenzie King), in his speech of February 3 last, was not overreassuring. Further, the newspaper *Le Droit* of Ottawa, dated Wednesday, February 5, 1947, in revealing to its readers the smallest details of what went on in the Liberal caucus of that same morning, published—and my hon. friend cannot deny that—

Mr. CRUICKSHANK: I can say that you do not know what you are talking about.

Mr. HEON: Have you read it?

Mr. CRUICKSHANK: Were you in the caucus?

Mr. HEON: Have you read it?

Mr. CRUICKSHANK: You are repeating rumours, that is all, like the rest of your speech.

Mr. HEON: Listen to me and you can contradict me later.

Mr. CRUICKSHANK: You are talking nonsense.

Mr. HEON: Apparently something tickles the hon. member. Before hon. members interrupt, I want them to listen to what I shall say next; then they can criticize me if they wish to. If my hon. friend does not like my citation I cannot avoid it. It was a

French newspaper, but to help my hon. friend I will translate what it said. This was *Le Droit* of Ottawa, Wednesday, February 5, 1947, and this is the headline: "Flag—" my hon. friend, coming from British Columbia! will understand that—"Flag Without Union Jack. The Country is Heading Towards a General Election." Then it went on, at page 11—my hon. friend has the reference—"That is why the Prime Minister is thinking of having recourse to his tactics of a sudden election to obtain a more stable majority in parliament."

Mr. CRUICKSHANK: Sudden or delayed, you will never come back.

An hon. MEMBER: That is a bed-time story.

Mr. HEON: I understand that my hon. friend wants to go to sleep now.

Mr. SMITH (Calgary West): Take it and like it.

Mr. HEON: This article—and my hon. friends on the right will like this—is possibly unfair to the Prime Minister, and possibly it is untrue in its conclusions on what was, after all, a more or less harmonious party caucus. But the C.B.C. and affiliated stations and most newspapers carried this interpretation across Canada. The impression has been given, rightly or wrongly—personally I think it is wrong—that a general election is in the offing if—there is always a big "if"—a substantial majority is not accorded the administration; if the amendment of the leader of the opposition is carried, or if the tempers of the cabinet members become so frayed and irritated in the face of opposition criticism that they may decide upon a general election. I wish to make my position perfectly clear, and that will please members to the right of the Speaker, though I am not out to please them. I want to say this. The present administration went before the country on June 11, 1945, seeking a mandate to build a new social order, to protect social and economic gains, and, as they said, to finish the job together. This being so, Canadians in great numbers approved by their "X's", and my hon. friend will recognize an "X".

Mr. CRUICKSHANK: The Gallup poll shows we are leading.

Mr. HEON: Canadians approved the proposed legislative trends set forth by the outgoing Liberal administration; and the final result, although not giving the administration a clear majority, since more Canadians voted for the various other political parties than for the administration, gave the present administration a mandate. Clearly the duty of the present administration is to accomplish this mandate, unless it is prepared to state officially that it cannot fulfil its numerous and most generous promises. Eighteen months have elapsed since the present administration came into power. It is a crude fact, an admitted fact, that the administration has not yet accomplished all that it promised. Would a general election solve the problem?

Mr. CRUICKSHANK: The electorate will give us a bigger majority.

Mr. HEON: My hon. friend is thinking in terms of votes and I am thinking in terms of Canada. That is the difference. I say this in all seriousness and I want to make my stand perfectly clear. A general election at this time would only add to the confusion already existing in industrial, agricultural and labour circles. The administration's job is not to render the economy of the country less stable; it is to render it more stable. It is its job, as it is the job of all of us, to render Canada's economy more stable. A general election at this time, Mr. Speaker, in my very humble opinion would amount to a catastrophe. Personally, and mind you I am speaking only for myself, I have taken great pains to consult all classes of the electorate in my own constituency, both Liberal and anti-Liberal, before making this statement. I shall not cast in this house any vote which will favour an early election. I hope that is clear enough. The general sentiment among my constituents seems to be: "Let the administration fulfil their promises; if they do not, we shall throw them out in good time." May I add this: The political temper of the average Canadian at this time is not one that should be fooled with, and woe to the political party which does so. Our countrymen want us to do things and accomplish results. Is there any hon. member, who, having been elected on June 11, 1945, is prepared to go back to the country tomorrow? Is there any political party which is prepared to go back before the country and say, "I am sorry; you gave us a mandate to do certain things, but we have not had the courage to do them. If you re-elect us, we will try"? The whole thing is silly. It applies to all Canadians of all parties.

My Liberal friends—and I have very many of them—last year sent me as a Christmas present, if hon. members to the right can imagine it, a copy of a pamphlet entitled "Programme for Canada". I quite frankly

say, Mr. Speaker—and you have been through the classical colleges of the province of Quebec:

(Translation):

Mr. HEON: *Timeo liberales et dona ferentes.* Which means "I fear the liberals even when they bring me gifts".

Mr. PIERRE GAUTHIER (Portneuf): You mean "Timeo Danaos". You do not remember your Latin.

Mr. HEON: I have possibly forgotten it, but I am lost like my hon. friend.

(Text):

This is what I received as a Christmas gift, "Programme for Canada".

An hon. MEMBER: Put it on the table.

Mr. SMITH (Calgary West): I can think of something better to do with it.

Mr. HEON: The foreword to this pamphlet is signed by the national Liberal committee. I want to say that I am serious about this. It has been circulated, according to the figures quoted, among 10,000,000 Canadians. The foreword, signed by the national Liberal committee, says this, and I am trying to point out that the duty of this house and of every member is not to look forward to a general election; the duty of every member is to try to go forward and do things irrespective of any party. This was sent across Canada, and this is what was signed by the national Liberal committee. No doubt the Progressive Conservative literature was just as good or as bad. But this was circulated and the Canadian voters approved it. So it is a duty to see that what is promised to the Canadian people should be accomplished. This is the foreword:

About one hundred days ago—

I would like to see "one hundred years", but the word is "days".

—the people of Canada voted to continue the Liberal administration. Thirty days ago the last aggressor accepted the allies' terms of unconditional surrender. The twentieth parliament elected in war time now meets in peace. The Liberal party's programme for peace as presented to the electors in the national election campaign is reproduced in these pages.

Page 3 of the pamphlet says that these advertisements had an aggregate circulation of twenty million. Any hon. member who wants to look at this after I am through, but not before, may have it. Page 4 says:

Liberal policies will create post war opportunities for all.

Page 5 says:

Liberal policies make jobs.

[Mr. Heon.]

And it adds:

These are just some of many steps in your Liberal government's working plan to ensure full employment after the war . . . Make sure the team which made this plan for full employment shall see it through—and win the peace.

Page 4 says, and any hon. member who doubts my words may consult this, as follows:

Reduction in taxation. The Liberal government will gradually reduce taxation when the European war is over.

That word "gradually" is a most elastic word. To continue:

Taxes will come down to free spending power and to give Canadians every opportunity for prosperity, employment and freedom. What you have done in war—you can do in peace. You can do your part by supporting the Liberal candidate in your constituency.

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

An hon. MEMBER: He is helping us.

Mr. SPEAKER: He may go on with the consent of the house.

Mr. HEON: I want to thank hon. gentlemen. They have always been gentlemen and there is no reason why they should not be tonight. Page 5 says, "Liberal policies make jobs." Page 7 says:

Just plain sense! The Canadian people have made a magnificent contribution to the common victory in Europe. The Liberal administration can say with honesty and justice: "This is the government which has directed Canada's war effort at home and abroad. This is the government which during the war worked out a programme of full employment and social reform . . ." These things are a matter of record and of common knowledge. On the basis of its record the choice of Prime Minister King's party to form the next government of Canada is a matter of just plain sense.

And it did. The same pamphlet continues with the heading, "Let the Liberal government finish its work", and I ask hon. members to listen to this, under the heading of "New low cost homes":

50,000 homes immediately. 100,000 each year for ten years. Instalments as low as $9.58 per month under the new national housing plan.

Then item No. 11:

Controls coming off. No controls for the sake of control. As promised, the Liberals have been relaxing supply controls since V-E day; materials for houses, furnishings, electrical appliances, radios, cars, etc., released every day; gas ration soon to be abandoned.

An hon. MEMBER: Now let us hear your programme.

Mr. HEON: You want to hear mine?

(Translation):

Mr. SPEAKER: Order. Additional time has been given to the hon. member so that he might finish his speech. Is he about to conclude?

Mr. HEON: I am about to conclude.

(Text):

I want to conclude with these words. This is no time for party politics. This government has been elected, and it is its job to carry out its programme. If it is unable to do so, it should say so officially. Personally I am in favour of following the constitutional principle that an elected administration should serve out its term. Then let the electors judge, because Canadian electors have a reputation for judging their public men carefully. They have made mistakes since 1935, but one day or another they shall correct those mistakes.

Mr. RONALD MOORE (Churchill): Mr. Speaker, the postponement of the debate on the address in reply to the speech from the throne has obviously had the effect of reducing interest in a great many of the subjects which would have been discussed had the debate continued until the votes on the amendments were taken. However, I understand that when the estimates of the various departments are brought down ample opportunity will be provided to deal with most of the subjects which would have been discussed had the debate continued.

On glancing over the speech from the throne, I see very little on which discussion could be carried on. It seems to me that the speech from the throne is more concerned with concealing than with revealing the legislation the government intends to deal with this session. It was stated that the problem of reconversion, started some time before the end of the war, has now been completed, and Canadian industry stands ready to supply the needs of a country at peace with the world. Before the war, other countries marvelled at the efficiency of Canada's industrial machine. If our industrial machine had a great productive efficiency before the war, those years of war greatly increased that efficiency.

Many of our scientists, engineers and economists have told us that a great many of our economic problems during the depression years were due to the fact that technological developments had caused industry to displace men with machines. Unfortunately there has not been a study of this situation as far as Canada is concerned, but in the United States a definite study of technological development has been made. According to Mr. Nathan Robertson, an American authority who writes articles for the *New Republic*, in the thirty-year period from 1909 to 1939 there was an increase in the productive efficiency of industry ranging from three to three and a half per cent a year. Mr. Robertson goes on to say that this productive efficiency was brought about by revolutionary new methods introduced to American industry. Some of those revolutionary new methods were such things as the machine production of cigars, the development of production lines in mass-production industries, and the introduction of the continuous strip mill in the steel industry. In this same period of time the production of rayon was quadrupled; the manufacture of industrial chemicals was trebled, and the production of automobiles increased by 180 per cent. In the refining of petroleum the increase was 290 per cent, while in the manufacture of tires and automobile tubes the increase was 325 per cent.

According to the same authority, who is quoted in the *New Republic* of October 1 last, in the twenty-year period from 1919 to 1939 the production per man-hour increased by 107 per cent, which meant that in the period between the two wars the production of industry was more than doubled. But what was the position with respect to labour during this period of time? It is true that the wages of labour increased, but only by 28 per cent. By 1939 unit labour costs were reduced by 44 per cent. I have not yet been able to find figures giving the technological picture of development during the last great war, from 1939 to 1945, but I think it is safe to say that the development of industry during the second world war was just as great as during world war I. It is necessary only to mention a few of the things the production of which was greatly stepped up during the war years. I remember the Department of Reconstruction and Supply stated that shells were produced during the second world war for a fraction of what they cost per shell during the first world war. In the United States ships went down the ways almost as rapidly as automobiles came off the assembly lines.

All these technological developments should be a boon to mankind, but in the past that has not been the case; actually they have been a detriment. One of the chief reasons for that is, I think, that the ownership of those means of production is in private hands. It seems to me that in the near future some step will have to be taken to make production of such machines which should be socially owned available to all the people of this country.

In the past a great many royal commissions have been set up to investigate various problems. We have had the Rowell-Sirois report respecting dominion-provincial relations. We have had the coal commission report, and several other commissions have investigated railway problems. The general procedure seems to have been to appoint a commission to take evidence, and then to shelve the report, doing nothing about the situation.

I believe this government at the present time should set up another royal commission, the purpose of which would be to investigate the amount of technological development that has taken place in Canada since the turn of the century, with particular reference to the development between 1920 and 1945. If that information were readily available it would afford labour an opportunity of getting a settlement for some of its present problems.

I hold in my hand an article which I clipped from the Saskatoon *Star-Phoenix*. This contains a report given by the Minister of Trade and Commerce (Mr. MacKinnon) and deals specifically with Canada's foreign trade. The article states:

During 1946 the minister announced the dominion's exports rose to a total value of $2,312 million, or more than two and one-half times as great as the five-year pre-war average from 1935 to 1939.

"It is encouraging to note that despite the elimination of these war goods from our export trade," Mr. MacKinnon said, "the volume of peace-time commodities has been maintained at a high enough level to ensure full employment in Canada's great but vulnerable export industries."

I am sure every hon. member is pleased to know the minister was able to make a statement of that kind respecting our foreign trade, particularly with respect to the aspect of full employment. That, again, is something which should receive due consideration from the house, because there is great danger that in the future our government and private enterprise will not be able to afford full employment to the people of Canada.

I note the minister has said that the providing of full employment to our people is largely dependent upon our export trade. Here are some figures which deal with that export trade. At this point I should like to compare our best peacetime year after the economic depression of 1929 with the year 1946. In 1938, which was the best year following the depression, we had in Canada 870,173 unemployed employable persons, while in 1946 we had approximately 158,000, a comparatively small figure when compared with that of 1938.

But here are our present exports, for the first nine months of 1946, as compared with our exports for the twelve months of 1938. I believe the figures I am about to place on record reveal the fact that, unless we are able to maintain our trade as it is today, we shall have difficulty in the future in providing full employment. These figures for Canadian exports are as follows:

	9 months 1946	12 months 1938
Newsprint	$187,400,000	$115,600,000
Wood pulp	82,800,000	33,500,000
Planks and boards	79,300,000	43,400,000
Automobiles and trucks	45,800,000	22,900,000
Farm implements	22,900,000	8,200,000
Bacon and ham	51,600,000	32,300,000
Fertilizer	24,300,000	7,900,000

I believe the minister is right when he says that these exports must be maintained if we are to provide full employment in this country. But I believe other hon. members who belong to different groups in the house are right when they say that these exports will not be maintained. And they will not be maintained because the countries to which exports are made are going to rebuild. As soon as the devastated areas in Europe and Asia have been rehabilitated, we shall encounter difficulties in the marketing of our commodities.

I suggest that if we are not to face a serious unemployment problem in the future the government must now take steps to overcome conditions which may develop. The first action to be taken should be that of investigating the possibilities of establishing in our better industries the forty-hour week. That could be done, if the findings of the royal commission, the setting up of which I have just suggested, were put into effect. We could pick out our best industries where the profits are highest, and have those industries establish the forty-hour week, with no reduction in take-home pay. Then the government could go forward and maintain investment in Canadian industry from the public treasury. By that, I mean it could institute public works, reforestation programmes, highway construction programmes in cooperation with the provincial governments—anything to maintain a condition of full employment throughout the country.

It is interesting to note that in 1938, our best peacetime year, we had in circulation in Canada $352 million, or a per capita income of $404. Those figures have increased steadily until at the present time, they have reached an all-time high. The money in circulation today stands at $1,079 million, or a per capita income of $708. If that condition is to be maintained—and it must be maintained if

prosperity is to exist in Canada—the government will have to take action. What private enterprise cannot do, the government will have to take upon its shoulders, and will have to accomplish.

I should like to deal somewhat more fully with the possibility of our present unemployment problem becoming a serious one. I know there are many people who would not like me to say that Canada has an unemployment problem. When one compares our present unemployment with that of our best peacetime year I do not think it would be fair to say that the problem is serious at the present time. Nevertheless we have today the beginning of an unemployment problem which, unless something is done about it, could become serious.

I hold in my hand a clipping from the *Financial Post* for March 1, 1947, giving the employment picture in Canada for February. This summary is broken down according to areas, and it gives the following information:

	Unplaced applicants	Unfilled vacancies	Men per job
Maritimes	26,000	3,000	8·7
Quebec	50,000	28,000	1·8
Ontario	54,000	28,000	2
Prairies	38,000	9,000	4·2
British Columbia	28,000	3,000	9·1

It might be worth while noting that at the present time Windsor has the worst unemployment situation of any city in the Dominion of Canada. The average for the whole dominion is two men for every available job, but in Windsor the ratio is twenty for every available job.

There is one other item I should now like to deal with; that is freight rates. For many years the western provinces have felt that they were paying the shot so far as freight rates are concerned. Investigations held in the past have more or less substantiated that contention. As far back as 1922, investigations have shown that railway revenue was much higher in the west than in the east. One of these investigations was held from 1922 to 1925 and it revealed the fact that the Canadian Pacific net earnings in the west amounted to $105 million, while the eastern divisions earned only $56 million. Evidence from the same report showed that western freight rates on the average were fifteen per cent higher than they were on eastern lines.

This situation came to a head shortly after the first world war, and two equalization boards sat to deal with freight rates. The first one sat from 1920 to 1922, and the second, from 1925 to 1927. The railroads left no ground uncovered to justify higher western rates. They attempted to justify their western rates by saying that the rate per ton-mile was much lower than the eastern rate. The recent request of the railroads for an increase of thirty per cent in freight rates has met with a storm of protest from most sections of the country, particularly the western provinces. I know of no single item which will retard western development to a greater degree than the proposed increase in freight rates. If the present investigation into the case put forward by the railroads for increased freight rates results in higher freight rates it will lead to an ever-increasing demand by the western provinces, particularly Manitoba and Saskatchewan, for the fullest possible use of the Hudson Bay railway and shipping route.

Speaking in the house this afternoon, the Minister of Finance (Mr. Abbott) surprised me to some extent when he made the announcement that new measures of relief were to be granted the gold mining companies. I have gold miners in my constituency, but I noticed that, when the miners who dig the ore were seeking wage increases and union recognition in the different parts of Canada, not much concern was shown by the government for their general welfare. However, the government appears to be greatly concerned with the production of gold and the welfare of the gold mining companies. Personally I cannot see why this should be. Gold is not an essential commodity. The world could get along very well without it. When the war first broke out, we actually curtailed the production of gold in this country in order to put men at more useful work. Using it as a base for our currency is an old-fashioned idea. We got rid of that during the war also. We used currency and credit and there was nothing to support that currency and credit but the printing presses and the effrontery of the issuers.

The generous allowances outlined by the minister this afternoon, such as increasing the depletion allowance from 33⅓ per cent to 40 per cent for the whole industry and the many other concessions that were granted in that statement will cost the taxpayers of this country a great deal of money. This contrasts greatly with the government's attitude to the request of 13,000 coal miners in Nova Scotia and New Brunswick when they appealed to the federal government to subsidize their wage increase of $1.40 per day. That would cost the federal government and the taxpayers approximately five and one-half million dollars. It would help establish fair standards of living for the mine workers; but, in return, coal would be now produced in Nova Scotia. Thousands of dollars would be accruing to the government for personal income tax.

Thousands of dollars would be saved by the miners' contribution to the unemployment insurance fund and more thousands would be saved because it would prevent the closing of other industries in Nova Scotia and New Brunswick through lack of fuel. I would strongly urge the government to show the same consideration to the mine workers of Nova Scotia that the Minister of Finance has shown to the operators of gold mining in Canada.

Mr. W. G. BLAIR (Lanark): Mr. Speaker, I regret to note that there is no mention of health in the speech from the throne. There is mention of a measure to be introduced in connection with social security, but that is the only reference to any new legislation from the Department of Health and Welfare. It is my intention at this time to review health conditions in Canada and to bring before this parliament the urgent necessity for action which cannot be further delayed.

In order to lay a sound foundation for a nation, the people of that nation must be fit mentally and physically. It is the duty of the government to give leadership, direction and financial support in order to reach that goal. For the past six years all our energies have been devoted to war for the defence of liberty, but it is now high time to take stock of the health standards of our people. We received our first intimation of the necessity for a health stocktaking when it was discovered that approximately forty per cent of our young men were unfit at the time of enlistment in the last war. The high percentage of unfitness in this group would indicate that the general health situation is even worse in other age groups.

This is an alarming state of affairs and is sufficient reason for the Canadian parliament making an inquiry into the cause of this situation. Many of these conditions could be corrected and it is the duty of the government to act, instead of complacently taking the attitude that there is no cause for alarm or that nature will heal the difficulty. I cannot find any reason for congratulation or satisfaction in the government's programme. It is to be noted that, while there are house committees on agriculture, veterans affairs, railways, fisheries and so on in this parliament, there is no house committee on health except a joint committee which met only four or five times last year. Surely the health of a nation, the relief of suffering and the urgent need for medical research should be of as much importance, or even of more importance, than the matters brought up for discussion and debate in the other house committees I have mentioned.

I point out the necessity for action for the following reasons:

First, cancer, tuberculosis, and mental illness have reached an appalling total and the first two show an extremely high death rate.

Second, the death rate in preventable disease is high.

Third, hospital facilities are inadequate for the treatment of all disease and especially so for the treatment of mental diseases, tuberculosis, and for the care of incurables. Hospital facilities are especially lacking in rural areas.

Fourth, there is a shortage of trained nurses to staff new hospitals and existing hospitals and for service in public health.

Fifth, the high cost of sickness.

Sixth, the necessity for organized services in child and maternal health.

Seventh, the need for early diagnostic measures.

Eighth, the crying need for research into the causes of such disease as cancer, arthritis, poliomyelitis and rheumatic fever.

Let us first consider the situation regarding cancer. Every year, cancer kills approximately 14,000 Canadians. It is second only to heart disease as a cause of death. We do not know the cause, but we know that in many cases this disease can be checked or even cured if an early diagnosis is made. Apart from the death rate of this disease the course is usually long and the cause of much suffering.

I am pleased to note that the National Cancer Institute of Canada has been formed. When a meeting of those interested in this dread disease was held in Ottawa a short time ago the Minister of National Health and Welfare (Mr. Martin) said that the resources of the King George V cancer fund were at the disposal of this newly formed organization for cancer research. The King George V cancer fund was raised in 1935 by the citizens of Canada. It amounted to $500,000. It was raised by public subscription and not by government grant. From 1937 to 1940, $14,000 was paid out each year to the cancer research committee of the Canadian Medical Association. In 1940, one-half of the grant was paid to the association. In 1942, the grant to the association was reduced to $7,000. In view of the fact that 14,000 people of Canada died last year from this disease, it would appear to me that the government is pursuing a niggardly policy in dealing with research on this national problem.

The provincial government of Ontario gave a grant of $500,000 to the Ontario cancer research foundation which has raised over $1,000,000 for research and treatment.

Canadian citizens are demanding action. The support for any campaign for cancer research must come from the people and be directed by the government. The problem will have to be met in the same way and with the same energy as research workers discovered the secrets of radar and atomic energy.

Let us next consider tuberculosis. In 1944, 5,724 of our population died of this disease, the majority in early life. It rates as the seventh cause of death in all age groups in Canada, and the first cause of death in the age group from fifteen to forty-five. Not only has it a high mortality rate, but it is easily transmitted from an infected to a healthy person.

Several of the provinces are carrying out an excellent plan for the elimination of this disease. In addition to observing precautions for our own citizens, it is necessary that all potential immigrants to Canada pass a strict medical examination with chest X-rays before they are allowed to enter this country. It is agreed among workers in this field that the scourge of tuberculosis can be defeated if proper methods are taken.

Arthritis is a disease of long duration; and, while it is prevalent throughout Canada, certain districts seem to have a higher incidence than others. It is commonly called Canada's No. 1 crippler. The number of cases in Canada has been estimated at as high as 400,000, of whom possibly 100,000 are crippled. Arthritis has the ability to cripple without killing; therefore it leads all other diseases in causing chronic sufferers. It accounts for a greater number of work-days lost than any other chronic illness. In Canada we have few hospitals equipped for the treatment of this disease. In addition very little research is being carried out. Not only does arthritis cripple and destroy, but, like cancer, it causes excruciating pain and suffering.

When we are considering arthritis, there is a somewhat similar disease known as rheumatic fever which causes a high percentage of casualties, especially in the young. Even in the event of a cure of this disease the heart is frequently left damaged, resulting in invalidism and early death. If all the cases of heart disease which are given as the cause of death were fully investigated, many could be traced to rheumatic fever in early life. Like arthritis, this disease demands research.

Mental illness is apparently increasing with the growth in our population. The number of cases in mental hospitals has increased by sixty per cent in the last fifteen years. New methods of treatment have proven successful but there is a marked shortage of accommodation in mental hospitals. It is deplorable that there are waiting lists for admittance to many mental institutions.

Venereal disease can be eliminated, but more money must be spent on its treatment and more propaganda must be carried out. The fight against venereal disease must be carried into the open and the problem approached by treatment, moral propaganda and education. Money spent on venereal disease now will save money which is at present being spent in mental institutions and hospitals for patients who are chronically ill in many cases. Further to help eliminate this disease, I would urge that pre-marital blood tests be carried out, and also blood tests of all immigrants coming into this country.

In pointing out eight urgent needs for action on health matters, I grouped together child and maternal welfare. While it is a fact that maternal mortality has dropped from 4·2 per thousand live births in 1939 to 2·7 in 1944, the rate is still too high, and many of these mothers could have been saved if given adequate treatment. The rate of 2·7 per thousand live births means that 776 maternal deaths occurred in 1944. The drop in the mortality rate may be attributed to these circumstances: one, the advent of new treatment by penicillin and the sulpha drugs; two, the increased tendency to hospitalization of cases and, three, educational programmes. It is hoped that the difficulty in obtaining hospitalization will not mean a further rise in mortality rates. Much difficulty is experienced in obtaining hospital accommodation in crowded urban hospitals. I cannot therefore agree with the statement in a recent periodical from the Department of National Health and Welfare, speaking of maternal mortality, that the risk is negligible. The rates per thousand live births per province are of interest as of 1944. They are as follows: Prince Edward Island 5·2; Nova Scotia 2·1; New Brunswick 3·2; Quebec 3·1; Ontario, 2·5; Manitoba 3·1; Saskatchewan 2·3; Alberta 1·6; British Columbia 2·6.

I come next to the consideration of preventable disease. One thousand children die each year from whooping cough, diphtheria and scarlet fever. The use of diphtheria toxoid is 100 per cent effective for immunization against this disease, and eighty per cent of those treated by immunization against scarlet fever do not contract the disease. Like rheumatic fever, scarlet fever often leaves complications in its wake. I present the following statistics of diseases in the past three years: diphtheria, 8,801 cases, 868 deaths; whooping cough 44,656 cases, 1,206 deaths, scarlet fever 51,566 cases, 293 deaths; poliomyelitis 1,432 cases, 89 deaths.

As regards poliomyelitis, no statistics are available as to the number permanently injured.

I am considering preventable cases, and a large percentage of these children could have been saved if we had had proper immunization methods. The lives of the younger generation of Canada should be paramount to any much discussed immigration. I am interested, first, in Canadians, and surely many of these children dying annually of these preventable diseases could be saved. Even if protective measures are available by immunization, these diseases still menace the health of the children of Canada. The Canadian infantile mortality rate is scandalously high. It is twice that of Sweden, twice that of New Zealand, and nineteen per cent higher than in the United States. There has been a decline in the past two years, but the rate is far above what it should be. It is estimated that during the six-year period of the war, Canada lost 90,000 infants. While there has been a drop in the infantile mortality rate in the past six years, it is probably on account of improved methods of treatment. Over half the infant deaths occur in the first month of life. Statistics show that 18,868 children under five years of age died in 1944. We can ill afford this drain on the population of Canada. The rate could be reduced further by pre-natal care and care of mothers and babies at birth and in early infancy. Sir Arthur Newsholme, author of the book "Vital Statistics", states:

> Infantile mortality is the most sensitive index we possess of social welfare. If babies were well born and well cared for, mortality would be negligible.

I now come to a consideration of the so-called milk-borne diseases, which is one cause of a high infant mortality. This group includes a number of diseases caused by infected raw milk. The diseases are diphtheria, streptococcus infections of the throat and tonsils, scarlet fever, bovine tuberculosis, typhoid, paratyphoid and undulant fever. Of these, undulant fever and streptococcus infections are most common. In addition, thousands more infants suffer gastric and intestinal disturbances, and hundreds of infants contract intestinal infections, more or less fatal. When the province of Ontario made the pasteurization of milk compulsory, undulant fever was cut down forty-five per cent in the first year. Deaths from other milk-borne diseases were reduced, and there was a marked fall in the infant mortality rate.

Pasteurization kills the germs and renders the milk safe. I have twice appealed to the Minister of Agriculture (Mr. Gardiner) for a programme of vaccination to cut down Bang's disease which is the cause of undulant fever in human beings. Unfortunately Bang's disease is present in all provinces of Canada. I point out to the Minister of Health that this disease could be lessened and even eliminated if the Department of Agriculture would act. Farmers require help in cleaning up mastitis in herds. This disease is one cause of streptococcus infections in humans. Pasteurization of milk and treatment of the primary causes of infected milk would cut down the death rate of the diseases caused by infected milk. We have, therefore, the means to eliminate these diseases in Canada. Milk is our finest single food, and with clean handling and a clean source of supply from healthy cows, it is safer than any other food we use. But sometimes there is disease in milk, and whether it arises from disease in the herd or bad handling or from other causes, it has become necessary to pasteurize it for the safety of infants and adults. It is, therefore, a tragedy that the federal government does not give full cooperation in using all means to wipe out or curb diseases, which are wholly or partly preventable, on account of infected milk. Milk-borne diseases should be eliminated from Canada.

Hospital accommodation shows a tremendous shortage in Canada. One of the great needs today is sufficient hospitals where patients can be taken to receive expert diagnosis and treatment. It is estimated that we require 153,000 beds, with an additional 20,000 beds more required within the next ten years. The shortage of beds has reached such proportions that practically every hospital in Canada has a long waiting list. All available hospital space is crowded. There are only nine convalescent hospitals in Canada and they are all in three provinces. We require additional hospitals for the chronically ill. It is difficult to obtain accommodation for those who are chronically ill, on account of long periods of hospitalization. In many general hospitals it is difficult to obtain beds even for those acutely ill and requiring emergency treatment. Many of the beds in the public general hospitals are occupied by chronically ill cases, thus barring acute cases from hospital treatment. These chronic cases are not all old, nor are they all indigents. Many of them are in the younger age group. I quote from an address by Mayor Lewis of Ottawa on February 19:

> There are no spare beds in the hospitals. There are no spare places for persons suffering mental illnesses. We are keeping people in our county gaol because there is no room for them in proper mental institutions . . . Our reformatories are filled and our gaols are filled. There is no place left for incurables and aged.

The degree of sickness among the people cannot be decided by the number of beds occupied in hospitals. Thousands, unable to afford treatment, or unable to procure accommodation, occupy beds at home, of which we have no records. A large percentage of the people cannot afford to pay the high cost of sickness. New methods of treatment and diagnosis have been discovered, but the cost of medical and hospital care has increased tremendously. There is a serious gap existing between advanced medical science and application in so far as treatment is concerned. Many people in the lower income brackets receive from sickness financial set-backs which they are never able to overcome, and which leave them constantly in debt. The cost of hospitalization, nursing and medical care is beyond the limits of their resources.

The shortage of nurses and trained hospital attendants is another serious problem. Wards in general hospitals in Canada have been closed because there are not enough nurses to care for the patients. Tuberculosis sanatoria and mental hospitals are understaffed for nurses. The demand for nurses in army hospitals has further reduced the number available for public hospitals. Many nurses are overworked and hospitals are short staffed. Patients, unless they can afford special nurses, often do not receive enough attention. Nurses have been overworked to the point of endangering their health. Many married nurses who returned to their profession during the war years are now retiring on account of income tax regulations. In order to give efficient and competent care of our sick, and to staff the 150,000 beds required, larger numbers of trained nurses must be graduated from training schools. In taking steps to rectify this situation, it must be remembered that young women entering this profession require matriculation from high schools, and a course of three years' hospital training. The shortage cannot be solved by short courses to graduate additional nurses. Any lowering of the standards will mean an inefficient service to the public.

It is often stated that the health of a nation is the wealth of a nation. The health of the people depends also to a large degree on the conditions of environment under which they live and work. It depends on decent housing and elimination of slums. It depends on adequate nutrition and facilities of education. The loss in wages to our industrial workers in 1942 amounts to $135,000,000 on account of sickness. The loss in production by reason of absence from work amounted to millions, and the total for sickness, loss of time, and production, has been estimated at a billion dollars. We must attack this wastage and cut down the losses on account of diseases. We are paying dearly for sickness. Preventive and early treatment could cut down sickness. Our national bill for sickness is higher than what it would cost to keep these people well and producing. I am not advocating a programme of expenditure, but rather a programme of economy.

The medical colleges and science faculties in our Canadian universities are of high standard. They graduate many students, anxious and capable of doing research. Unfortunately, a large proportion of these graduates move to the United States where they receive more lucrative salaries. This country can ill afford to lose these citizens, and conditions should be made more attractive to retain them here either on health problems or in research on the products of our national resources to build up new industries and create employment for our people.

I am aware that many of the matters mentioned are within the jurisdiction of the provinces, but, as I have previously said, it is the duty of the federal government to give leadership, direction and financial support. If the solution of these urgent national health problems is dependent on a successful dominion-provincial agreement among all the provinces, and if the declarations made by the Prime Minister (Mr. Mackenzie King) regarding the bringing of the provinces together is to be accepted, then there seems little hope for improvement in the standards of health within our dominion. It is, therefore, an obligation on the part of the government to reconvene the dominion-provincial conference. There is no alibi for inaction by those responsible where the lives of Canadian citizens are at stake.

Mr. H. W. WINKLER (Lisgar): Mr. Speaker, my first words in my brief remarks in this debate are of congratulation to the mover and the seconder of the address in reply to the speech from the throne for their admirable speeches. Both those hon. gentlemen are members of this section of the house, and I must say there are certain advantages in sitting in this section. Chief among them would be the undoubted bond that exists between the members. There is, however, a disadvantage in sitting in this neighbourhood, and that is the difficulty of hearing, possibly not at this moment, but when the house is comparatively full. A recommendation has been made that loud speakers be installed in the house. With the exception of a few of us who might use them advantageously, I believe that loud speakers would not be of any benefit in this corner, but that hearing aids would

be of more value. I would suggest that consideration be given to a hearing aid of the antique type such as the ancient earhorn which would be in keeping, sir, with the uniform which you and other officials of this house wear, reminiscent of a few centuries ago. This aura of dignity and antiquity would thereby be enhanced when we hoisted the earhorns in this corner of the house.

It has been a custom for new members to describe briefly their constituencies. While I doubt if that privilege is accorded to older members, nevertheless I should like to impose upon the generosity of the house to describe my constituency from one particular angle, namely, the racial background. The honour of being the first agricultural settlement in Manitoba does not go to the constituency of Lisgar. The first agricultural settlers in that province were the Selkirk settlers of 1812; but that settlement was not an agricultural success by reason of the fact that, first of all, the settlers were not trained agriculturists; in addition, there were many other hazards which I need not mention at the moment.

The settlement did not prosper as an agricultural settlement until comparatively recently. In fact, it did not grow to any extent until in the sixties when, by reason of the railroads which had moved westward through Chicago, transportation was diverted from the water routes which had been in use earlier, to the railroads of the United States. To reach them, the trails leading south of the international boundary and beyond were used. Along that trail a new settlement grew up.

Early in the seventies small settlements and people from Ontario chiefly, grew up along the Assiniboine and Boyne rivers in Manitoba; so that it was not until 1874 when the first settlements in Lisgar constituency took place. Those settlers were mostly from Ontario and they followed the wooded slopes of that area, the reason being that the Ontario settler had been trained to work in the woods and understood clearing land and converting it to the use of grains.

In 1873, however, the government of the day entered into a treaty with a certain sect of people in the kingdom of Russia. These people were known as Mennonites and were of the Dutch race. For centuries they had migrated, as many sects had done in Europe, and eventually found themselves in Russia as the guests of Queen Catherine, who wished them to be an example to the Russian peasants in the way of agriculture.

Those settlements had been in Russia for approximately a century when delegates came to Canada to try to arrange for a settlement in Manitoba. An order in council was passed permitting them to come, under certain conditions. They were granted freedom of religion and exemption from military service; and strangely, the order in council was kept secret. I say "strangely", but possibly it was not so strange, because the order in council permitted them to teach in their own schools in the way they saw fit.

However, in 1875 the Mennonites arrived and settled on the plains of Manitoba. They formed an area approximately forty miles long by twenty miles wide; and suddenly that portion of Manitoba bloomed like a garden. Never before had such an area in Canada been seen growing in wheat. It was a wonderful sight to those who saw it, and the news spread to eastern Canada.

In the following four years, and prior to 1880, practically all the arable portion of southern Manitoba was homesteaded, principally by settlers from Ontario. The point I should like to make is that at that time there was no experimental farm system, at least none engaged in experiments in dry farming. The Mennonites who came from Russia had learned how to carry on that type of farming and were quite experienced in it when they arrived in Manitoba; therefore their colony was a success from the beginning. When the Mennonites came to treat for settlement in Manitoba, did they ask about housing? No, they did not; they were quite capable of pioneering. They ploughed up the sods and stacked them one on top of the other, packed them firmly together, packed them around window and door frames, from the bush brought saplings which they tied together at the peak, and then thatched the roof. Sod houses last for only a few years, but for a short time they are warm and dry. In due course the sod houses were replaced by log houses, which lasted for many years; in fact, many are still standing. Last year I believe the last thatched roof in that district disappeared; they last for a long time.

That leads me to refer to the Ukrainian colony in Manitoba. Any Manitoban over thirty years of age recalls the Ukrainian immigration into that province. They were dumped in large numbers almost anywhere in Manitoba, and settled in the outlying districts. We recall those picturesque little huts built by twining saplings together and then plastering them with clay. Of course they had thatched roofs. Many of those houses lasted for twenty years; they were dry and serviceable.

This brings me to another migration which not only affected my constituency in Mani-

toba but extended practically all through western Canada. In 1924 certain Mennonites who were refugees from the Russian revolution, who had fled to Germany without their belongings, found themselves stranded in that country without any means of livelihood or employment. They sought the aid of Canada. The department of immigration was not equipped to take care of such a large group in one move; there were approximately ten thousand of them, and ultimately the matter was handed over to the Canadian Pacific Railway Company. I should like to pay tribute to that corporation for the magnificent way in which it handled this movement. It brought these people to Canada without the payment of any money down. Last year the final dollar of the $2,000,000 they borrowed for their expenses was repaid.

This movement was perhaps concentrated more in Lisgar constituency than any other in Manitoba. I was personally acquainted with a great many of these people, and I must say that from every point of view they have shown themselves to be citizens of Canada equal to any Canadians, no matter how many generations their ancestors may have been in this country. I should like to say also that immigrants who have come from Europe have been doing most of the pioneering in this country for many years. These people are willing to do outdoor work and to exchange the sweat of years for the privileges of freedom. There is no doubt about the fact that Canadians generally, through education or for some other reason, are inclined to be diverted from outdoor life, and we must rely upon people who are willing to use their muscle and brawn to take the place of Canadians in certain occupations.

This brings me to another point, and I should like to say a word about Canadian industry today. What is the state of Canadian industry? My answer to that question would be that the war has given Canada a pattern for her industry, but primary industry definitely lags for want of workers. The need for workers in agriculture was never greater. On many farms old people, unable either to dispose of their property or to get suitable farm help, are attempting to carry on. As for domestic servants, I should say the need was never greater than it is today. In the pulp and paper industry the advance has been definitely delayed, I am told, by the lack of suitable axemen, men willing to go out and work hard during the time they are needed in that industry. At the same time the emigration of trained young men and women to the United States proceeds apace.

During this debate the Minister of Mines and Resources (Mr. Glen) referred to the immigration regulations laid down on May 29 of last year, and also the order in council of January 30 of this year. I wish to say at once that I have every faith in the government and its advisers, and believe that a permanent policy on immigration will be developed. But one can readily see that in a changing world a matter of this sort cannot be worked out overnight. We have to feel our way, and I have no doubt that is being done. However, I doubt if the present situation can be met by a long-term immigration policy. As I have endeavoured to point out briefly, we have an emergent situation in primary industry, and I believe the answer lies in the displaced persons camps of Germany and Austria rather than in the more settled portions of France, Belgium and Holland. Ultimately I may be shown to be wrong, but I doubt if immigration from the more settled districts will ever suffice to meet the requirements of Canada in this regard. Certainly I doubt if the workers required for primary industry will come from those stations. I believe we should declare that we have an emergency, and then go after the type of people we need.

As to screening, I know it takes time to develop a team, let us say, which can effectively screen immigrants, and certainly we know that immigrants must be screened at this time. But we are told that they have been fairly effectively screened already by UNRRA, as far as these displaced persons camps are concerned. From personal observation during the short time I was over there about a year ago, I would say that I saw a great many people who, in my opinion, would be ideal candidates for immigration to this country, and who indicated a keen desire to come here. Just three weeks ago the steamer *Volendam* left Holland for South America, carrying 2,000 Mennonites from Holland. These were displaced persons from Russia. They, together with the people in the displaced persons camps in Germany, are guilty of only one crime: they fled before the Russian advance, and would rather die than return to the country from which they came.

It has been said in the house that there are at least 800,000 displaced persons. That figure may be somewhat high; but we know that of that number there are about 8,000, or one per cent, of the Mennonite faith. I would, therefore, urge the government to treat this as an emergency situation and, by using every facility available, try to bring to this country as

rapidly as possible those people who give every indication of being the type of citizens we want for our primary industries.

Before resuming my seat, I should like to make brief reference to a subject which has been mentioned in the house this evening, namely the application of the railroads for a thirty per cent increase in freight rates. I have been asked why the prairie provinces are so much opposed to the request by the railroads for this increase. My answer is that those provinces feel they are being discriminated against.

Someone may ask: Why do they feel that there is this discrimination? It amounts to this, that a thirty per cent general increase in freight rates is not actually what the railroads want. We know that water rates compete with the freight rates structure, and that the railways must meet those rates. Therefore a general increase can be general only with the exception of those places where water rates apply. In a nutshell that is why the prairie provinces are so much opposed to the proposed increase. As I said, water rates do not affect the prairie provinces in any degree. We have no waterways and, therefore, water rates cannot apply. But certainly if an increase is allowed it will be made to apply, regardless of those whom it may not affect.

For instance, inland waterways are waterways just as surely as are those along the seacoasts. Steel shipped from Hamilton to Vancouver is accorded the waterways rate, and if a railway carries that steel by rail it must meet the water rate. I would ask on what basis the railways association fixes its rates. It is generally known that in the past it has fixed the rates, and any changes which have become statutory or otherwise have been negotiated at a later time.

Once again I shall refer to my constituency to give an example of what I have in mind. Out there we have the Pembina Mountain Clays Company Limited. This was a strategic wartime industry; in fact, it was on that basis that it got its start. It is engaged in the mining of clay, the greater proportion of which is talc. It may be known that talc is a material which is highly heat-resistant. It is found in my constituency, because some 70,000,000 years ago, when most of that area was under water, volcanic ash was deposited on the water, settled in the form of silt and later became rock. It is this material which is mined today and which, after purification, is shipped to Sarnia, at which point the Imperial Oil Company, the chief customer, uses it in connection with the purification of oil.

There is only one other industry like it on the North American continent, and it is situated near Jackson, Mississippi. In other words, that is the only competing company. The freight rate from Jackson, Mississippi, to Sarnia was, and for many years has been, $9.46 a ton, on the United States railways. When the Canadian industry started operations during the war the Canadian freight rates association fixed the rate from Morden, Manitoba, to Sarnia at $16.60 a ton, or almost double that charged by the United States railways for a similar distance. Three years later, in 1944, after this situation had been aired in the House of Commons by an hon. member whose name I shall not mention, when speaking on the budget debate, without being asked to do so the freight rates association reduced the rate to $12 a ton.

The company still felt, however, that they were being discriminated against and made further representations, with the result that on October 1 of last year the rate was reduced to $9 a ton. It will be readily seen that, at a time when transportation costs were increasing, in this particular instance the rate was going down, and that, indeed, it came down from $16.60 in 1941 to $9 in 1946. If the basis used by the railways is similar on most occasions, one is led to suspect that the basis on which they arrange these rates is that of charging what the traffic will bear. We claim, therefore, that their basis is open to question.

I believe, Mr. Speaker, that I have said all I wish to say at this time.

(Translation):

Mr. GEORGES H. HEON (Argenteuil): Mr. Speaker, I rise to a question of privilege. Am I to understand that the hon. member for Drummond-Arthabaska (Mr. Cloutier) will not speak tonight? He is a graduate of the best college in the province of Quebec, Victoriaville College, whose former students include the hon. Postmaster General (Mr. Bertrand), the hon. member for Beauce (Mr. Dionne), the hon. member for Nicolet-Yamaska (Mr. Dubois) and the hon. member for Pontiac (Mr. Caouette).

Some hon. MEMBERS: Order.

Mr. SPEAKER: I see no privilege in that. I would therefore ask the hon. member to state his question of privilege as briefly as possible.

Mr. HEON: I merely wished to inquire if we should have the pleasure of hearing

tonight from the hon. member for Drummond-Arthabaska. I also wished to extol the merits of Victoriaville College.

An hon. MEMBER: We shall hear from him later.

(Text):

Mr. J. A. ROSS (Souris): Mr. Speaker, like the hon. gentleman who has just taken his seat, I have received many requests and resolutions from my constituents in Manitoba asking me to protest against any increase in freight rates. Some of these people may not realize that this is a matter which is not before parliament, that the matter is before the railway board, but still they protest. The people appearing before that board are fortified with a mass of able legal talent, but should the matter ever become an issue in this House of Commons I can assure all these people that I will advance the strongest arguments I am capable of in opposition to any increase in freight rates at this time. That would add to our cost of production and cost of marketing, a matter which would affect the people of western Canada to a greater degree than those in any other part of this dominion.

I should like to endorse the remarks of the hon. member for Lanark (Mr. Blair) with respect to medical research, and more especially that dealing with cancer. Some 14,000 people died in Canada last year as a result of cancer and this death rate was exceeded only by the deaths from heart ailments. One in every eight deaths is a heavy rate. The King George fund of some $500,000 was raised by the school children of this country. The medical people have been doing good work with this fund at their disposal. I understand that Ontario is to contribute $1,000,000 this year for this work. There is a tremendous field open in cancer research to try to find a cure for this terrible scourge. The dominion should assist financially in this matter because it is most important and worth undertaking.

Mention was made also of tuberculosis, from which 5,000 people died in Canada last year. Tuberculosis is the seventh cause of deaths in Canada and is the greatest killer of Canada's younger age group. Here again I should like to associate myself with the hon. member for Lanark, who said that all immigrants coming into this country should receive a thorough medical examination, including chest X-ray and blood tests. We had a glaring example of this when some 2,900 immigrants entered this country from Europe. Just the other day I noticed a report in the paper concerning a Department of Veterans Affairs hospital in my province, and it was stated that in one of the wings of that hospital there were ninety-eight of those Polish immigrants suffering from tuberculosis. This disease is very contagious and we cannot be too careful about seeing that these people have a thorough medical examination.

Mention was made of tuberculosis and Bang's disease in dairy cattle. When children drink milk from these cattle they may suffer from tuberculosis. I think all milk fed to little children should be pasteurized. Because of these diseases, many states in the great nation to the south will not permit the importation of cattle from Canada unless they are from purebred accredited herds. We have not had an efficient animal health inspection service and an improvement in this regard should be fostered by the Department of Agriculture.

As was pointed out, there is a great lack of hospital facilities in Canada and a great shortage of trained nurses for home and institutional nursing. Greater asistance is needed in this connection and there should be more dominion-provincial cooperation. The dominion government should provide more financial assistance for certain types of medical research and for hospitalization throughout this land.

What I really wish to speak about at this time is a matter that concerns veterans, and I refer particularly to veterans housing. It must be realized that it is only on this debate, on the budget, or possibly on the departmental estimates, that we are likely to be able to discuss these matters. I understand that no committee is to be set up to deal with veterans affairs generally. The committee last year did a good job and brought forth many fine acts, but there is still a great deal of criticism of the administration.

I receive many complaints from young veterans who want to settle on the land. Some of them were taking special agricultural courses last summer. Then a change was made in the regulations and some of these chaps quit their courses. Some of them have relatives who will supply land upon which they could settle and they want to take advantage of the new legislation in order to get a loan with which to buy farm equipment and machinery. They are finding this difficult to obtain because the local officials are turning them down. I hope the departmental officials will be able to straighten this matter out before these men are ready to start their spring operations.

Then there are other chaps who have bought their own land and who are not asking for any

financial assistance. These men cannot obtain priorities for the purchase of tractors and farm machinery, despite the fact that they are ready to pay for these things themselves. I realize that equipment is scarce, but I think the board could give further consideration to the men in this category. They are deserving of more assistance.

Veterans housing constitutes a pretty thorny problem all across Canada. I am referring particularly to the small holdings. There is one project in Manitoba known as the Charleswood, and I have had occasion to visit this many times during 1946. I have some personal friends living in houses on this project. The construction of some ninety homes was commenced, I think in 1945, and a good deal of dissatisfaction has been expressed by a number of these settlers since they have occupied their houses. I brought this matter before the committee on veterans affairs which sat last session when I returned from a trip out west during the month of June.

Mr. MACKENZIE: Are those Veterans Land Act houses?

Mr. ROSS (Souris): Yes, small holdings. When I was out there later in the season I had a contractor who is a personal friend of mine in Winnipeg accompany me. He made a thorough survey of one of these homes which the government had built and for which they are asking $7,300. After measuring the housing unit and listing everything which went into its construction, he assured me that with better material and better workmanship—I must confess that it is not very good workmanship or good materials that are used in most of these housing units—he could have built a like unit in 1939 for $3,145. The difference between $3,145 and $7,300 is $4,155, or approximately 130 per cent inflation since 1939.

These units were built on a cost-plus basis under government supervision. I have inspected these units and discussed the situation with their inhabitants and I think they offer a fair value of socialism. They were built for the government under government supervision on a cost-plus basis, and I am sure that is the way in which any socialist government would operate.

Mr. KNOWLES: Since when did you start writing the doctrines of socialism?

Mr. ROSS (Souris): I am not writing it, but I have studied the doctrine of several of these European countries for the past few years.

Mr. JACKMAN: He who hath eyes to see.

[Mr. J. A. Ross.]

Mr. ROSS (Souris): Remember, according to the Minister of Justice (Mr. Ilsley) who was Minister of Finance during the war years, in a statement which he made on February 28 last, lumber produced in Canada selling at a ceiling of $26 per 1,000 feet in Canada is exported at the prevailing price of $70 per 1,000 feet. We had an interesting set of figures on the construction of these houses at this time. I understand that an order in council was passed in May, 1946, making provision for $1,000,000 to be used by the Department of Veterans Affairs, for the adjustment of the cost of these houses, or whatever adjustments may be necessary, but that as of February 27 last nothing of a satisfactory nature has been accomplished in respect of a settlement with many of the occupants of the houses in the Charleswood area, and that information is up to within the last few days.

Mr. KNOWLES: The Minister of Agriculture (Mr. Gardiner) also visited there during the election campaign.

Mr. ROSS (Souris): Did he?

Mr. KNOWLES: Yes.

Mr. ROSS (Souris): I will confess that I was there myself during the election campaign and was there for many months before any candidate was nominated or anything said about an election, and I have been there several times since. I have gone right through the whole trend of events.

Mr. KNOWLES: The Minister of Agriculture promised to come back to Ottawa and have something done about the matter.

Mr. ROSS (Souris): Did he?

Mr. JACKMAN: Where were you?

Mr. KNOWLES: In Winnipeg.

Mr. ROSS (Souris): According to the Canadian building authorities claim—and it has never been repudiated by anybody—no person can afford to purchase or agree to purchase a house valued at over twice his or her annual income. I think that is generally recognized across the country. The average veteran in Canada today does not receive an annual income of over $1,500. I believe that can be admitted. Therefore one of these five-room housing units at $7,300 is altogether too costly to be charged to the average veteran during these times. I believe it is recognized that things are pretty much at a peak now. If we are to have a recession and this is the peak of the average income of the veterans they will have great difficulty in fulfilling their obligation.

I have quite a sheaf of correspondence on this Charleswood housing project, apart from what I have discovered at first hand myself. I do not intend to go into it all, but it does point out something about the values of the construction of these houses and the difficulties they are now having. They do raise one pertinent point, namely, that several officials are putting the pressure on these people to have them sign these agreements at these amounts of $7.300. If they do not do so they will be asked to vacate on May 1, and that is less than two months from today. The people are now living in the houses on a rental basis of $30 a month. They are told by these officials that if there is any difficulty about having them sign these agreements or vacate, the rent will probably be raised considerably per month to the present occupants of the house.

I know, from my own personal inspection of these places, that some of them are most unsatisfactory in the matter of construction. When I was there, some of the houses had a great deal of water in the cellar. The basements had heaved and the centre was cracked wide open, throwing the foundations out of line. Some of the buildings were really in bad shape at that time. In fairness to the department, I must say that a great deal of repair work has been done to houses in that unit, but many of the people are still unsatisfied. They think there should be a 100 per. cent repair job done on all these houses before they are asked to sign an agreement to purchase the property. They are rightly entitled to that. They go farther, and a number of them ask for an independent royal commission. They claim that if such an independent commission were set up it should hold sittings in the larger centres throughout Canada. They mention, in particular, Winnipeg, because if the sittings were held there these people could get their own counsel and appear before such a body in Winnipeg. The same thing would apply to all centres across Canada where difficulties arise.

As a member of the committee on veterans affairs, I have heard of cases of a like nature in almost every province. To bear that out, I remember last summer I asked the minister a question, and probably some of these matters are still under investigation. In their complaints, many of these people point out that at this time the septic tanks have frozen up and the water has backed up into the basement. One can understand that this would cause an embarrassing situation to the people occupying these houses. They say that there is a great deal of danger from disease in the spring when warmer weather sets in.

As I have said, the cement floors in the basements have cracked and heaved from the frost and the water. There is a lot of water in that area at times, and the places are in an unsatisfactory condition. The carpentry work in many cases was very poor. Some of these chaps told me about their own relatives working on the job, chaps who had never done any carpentry work in their lives before. They had come in from the farms and were paid carpenter's wages, working on the construction on a cost-plus basis. Not knowing anything about the job, they did not hustle very much. They were greenhorns on the job.

I remember last summer that a resolution came before the veterans affairs committee, and I believe it was agreed to because a question was asked the minister respecting the resolution on August 5. The committee recommended that if the outside cost of the veteran's house had gone over $6,000 the government should subsidize the excess up to at least 23⅓ per cent, and the minister said that the matter was still under consideration and would probably be dealt with at the next session. By that, he meant this session of parliament.

On motion of Mr. Ross (Souris) the debate was adjourned.

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

Wednesday, March 5, 1947

The house met at three o'clock.

REDISTRIBUTION

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. C. G. POWER (Quebec South) presented the first report of the special committee appointed to consider Bill No. 18, to readjust representation in the House of Commons, and moved that the report be concurred in.

Motion agreed to.

TAXATION AGREEMENTS

INQUIRY AS TO COST OF CARRYING OUT OFFERS MADE TO THE PROVINCES

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): I wish to address a question to the Minister of Finance, notice of which I have given him. I should like to ask him how much the estimates would have been increased beyond two billions if they had included the

amounts necessary to carry out the various offers which we understand he has made to the provinces.

Hon. DOUGLAS ABBOTT (Minister of Finance): I received notice of the question just before coming into the house, and I shall have to make the necessary calculations and give the answer to my hon. friend later. The question is of course one that should be put on the order paper.

Mr. GRAYDON: Thanks for the advice.

Mr. ABBOTT: Then take it.

VETERANS AFFAIRS

SUNNYBROOK HOSPITAL—AVAILABILITY OF ACCOMMODATION FOR PATIENTS

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I should like to address a question to the Minister of Veterans Affairs. Why are many beds allowed to remain empty at Sunnybrook hospital at the present time while many military patients under Department of Veterans Affairs care are accommodated at overcrowded civilian hospitals?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I received notice of the question just as I was entering the house and have ascertained since, from the director of treatment services, that there are 200 vacant beds now in Sunnybrook hospital. The difficulty has been in obtaining the necessary staff but that has been overcome and the transfer will be made at the earliest possible time.

LABOUR CONDITIONS

POLISH VETERANS ENGAGED IN AGRICULTURE

On the orders of the day:

Mr. H. W. HERRIDGE (Kootenay West): May I ask the Minister of Labour the following questions. First, is the minister informed of a reported meeting recently held by former members of the Polish corps now employed on farms in Canada, at which demands were made for release from the terms of the agreement under which these persons entered Canada? Secondly, is it the government's intention to insist upon the terms of this agreement being kept?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have knowledge of a meeting having been held by the persons referred to by my hon. friend. As to what they discussed, I know nothing. I did arrange for an officer of the employment service of the Department of Labour to attend that meeting. Owing to weather conditions, however, the report has not yet reached me. As to the second question, my hon. friend is well aware that any announcement of government policy will be made at the proper time.

PRIVILEGE

MR. CRUICKSHANK—OTTAWA "JOURNAL" REPORT OF PROCEEDINGS OF MARCH 3

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I rise to a question of privilege. The Ottawa *Journal* took care to criticize me for suggesting that the press gallery could not hear in this house, and I wish to refer to an article appearing in that newspaper on Wednesday, March 5. It is headed:

"We were left out," not "kicked out," St. Laurent said.

As a veteran member of this house I desire to make it perfectly clear that if there had been amplifiers in this house the press gallery would have heard that the statement was, "We were left out." The Canadian army has never been and never will be kicked out of any place in the world.

Mr. GRAYDON: You and the minister had better talk that over.

MR. POULIOT—PRESS REFERENCE TO MEMBER FOR TÉMISCOUATA

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I rise to a question of privilege in reference to a statement that was made a week ago and a question that was asked of the cabinet ministers when each one was challenged to rise or to raise his hand if any one of them had said to a newspaper man that I was the implacable enemy of the government. I have two hundred witnesses that no one rose or raised his hand. Notwithstanding that, the correspondent of the *Gazette* has made this observation, "Several cabinet ministers did not seem to be convinced." I will answer that young man, who is not a mind reader, by a citation from Oliver Goldsmith:

> But alas! your good worships, how could they be wiser,
> When both have been spoil'd in to-day's *Advertiser?*

FREIGHT RATES

INQUIRY AS TO APPLICATION FOR INCREASE

On the orders of the day:

Mr. W. A. TUCKER (Rosthern): I wish to direct a question to the Minister of Transport. The suggestion was made by the premier

of Saskatchewan in the legislature there that the application by the Canadian National Railways for an increase in freight rates had the approval of the government. I should like to ask the Minister of Transport if the government was consulted about the Canadian National Railways' application for an increase in freight rates. If so, did it have their approval or consent in any way, shape or form?

Mr. GRAYDON: Order paper.

Hon. LIONEL CHEVRIER (Minister of Transport): The application for an increase in freight rates was not made by the Canadian National Railways. It was made by the Railway Association of Canada on behalf of the railways. The government had no knowledge of the application, did not authorize it, and, I am in a position to say to my hon. friend, was not consulted in the application made by the railway association to the board of transport commissioners.

Mr. GRAYDON: But is the government against it?

An hon. MEMBER: That is another question.

Mr. CHEVRIER: Let my hon. friend ask the question.

HOUSE OF COMMONS

REQUEST FOR TEST OF ACOUSTICAL PROPERTIES OF CHAMBER

On the orders of the day:

Mr. DANIEL McIVOR (Fort William): I should like to direct a question to the Minister of Public Works. I should have given him notice, but as he is a man of resources, he does not need it.

An hon. MEMBER: What kind of resources?

Mr. McIVOR: We have received a report from the Speaker of this house saying that he has made extensive research into the acoustics of different buildings. I would ask the minister now when it will be possible to have a test made in this house.

Hon. ALPHONSE FOURNIER (Minister of Public Works): I wish to thank the hon. member for his kind words. In this case I have not many resources. I understand a report has been made by the Speaker and that the conclusions arrived at therein do not favour the installation of a loud speaker system at the present time. I should not like to override His Honour the Speaker in this matter.

Mr. CRUICKSHANK: We cannot hear.

Mr. GRAYDON: There is too much noise on the other side now.

Mr. MACKENZIE: On the other side there always is.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, March 4, consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. J. A. ROSS (Souris): Mr. Speaker, last evening at adjournment I had set forth a series of complaints by veteran settlers of the Charleswood area in Manitoba with respect to the type of construction and the costs proposed to be charged to the occupants of those houses under the Veterans' Land Act. This project happens to be a few miles west of the city of Winnipeg. In fact it is located in the eastern end of the constituency of Portage la Prairie. I believe the hon. member for Portage la Prairie (Mr. Miller) in a public statement last October suggested an immediate revaluation of the Charleswood properties and a reduction of the purchase price to a fair level. I understand that since then he has discussed the matter with the Minister of Veterans Affairs (Mr. Mackenzie). Prior to these last complaints we received the hon. member had spoken on this address in reply to the speech from the throne and therefore probably would not have another opportunity to discuss the matter in this house until either the budget is brought down or the estimates of the Department of Veterans Affairs are considered.

I think the condition which I have set forth concerning the Charleswood project exists in like projects in almost every province. On July 28, 1946, the Vancouver *Province* pointed out that the government, through the Veterans' Land Act, asks $7,636 for veterans' houses in British Columbia, and they suggested a complete investigation of the entire business.

On July 5 last, I asked the following question in this chamber:

> Mr. Speaker, I should like to ask a question of the Minister of Veterans Affairs, based upon a report in this morning's press to the effect that the Royal Canadian Mounted Police in Montreal have exposed an alleged black market of homes built for war veterans in a government-approved Veterans Land Act project at Boucherville, across the St. Lawrence river and east of the city of Montreal. The article

is headed, "Say Veterans Charged $4,000 extra for Homes." Will the minister say what foundation there is for this report?

That report said that veterans were being asked as high as $11,000 for those houses and that contractors had sold them for that amount. That was all published in the press report. The minister's reply at that time was:

I saw the report in the press this morning. May I inform the hon. member that I received notice in January before I went west to Winnipeg, and in five minutes I directed the Royal Canadian Mounted Police to have investigations made immediately. Their final report has not yet come in. If any impropriety is discovered, we shall promptly rest the matter with the courts for final disposition.

Mr. Ross (Souris): But the minister has had reports on it?

Mr. Mackenzie: We have had suggestions of impropriety, but no final report.

Then about six weeks later, in August, I asked the same question in this chamber; and the answer I received from the then minister of justice, now the Secretary of State for External Affairs (Mr. St. Laurent), was to the effect that an investigation was being made and that officials of the Royal Canadian Mounted Police were asking for legal counsel. I do not know where the matter stands now, but after all these months, surely a report should now be given to this house at this time.

Coming back to the province of Ontario, I understand that in the Windsor area some forty houses of the Oliver farm project are flooded to the extent that it is impossible to keep fires in the heating units in many of them. Also, I understand that some reversal of policy is being effected in that area and that one of the officials there who has been in charge of repairs has been let out of the department. Later on, when the minister comes to give an account of the housing situation, I trust he will be able to explain this matter, among others.

I am also told that a housing unit in the Sarnia area now sells for $400 and upwards more than the same type of housing unit in the Windsor area. Speaking in this chamber a month ago yesterday the hon. member for Lambton West (Mr. Murphy), in whose riding the Sarnia project is located, said, at page 109 of *Hansard* of that date:

Therefore, in view of the excessive and outrageous prices asked by the government for these veterans' homes and in view of the manner of their construction, I respectfully ask that a royal commission be appointed to make a full inquiry . . .

Therefore on behalf of the taxpayer and the veterans who were fortunate enough to return . . . I demand that a royal commission be appointed to inquire into all contracts for purchases of land acquired for small holdings under the Veterans Land Act and contracts for the construction of roads, the installation of water mains and other costs involved in the purchase price of these homes.

Within the last few days a member of the Manitoba legislature, Lieutenant Colonel Gordon Churchill, who had a very good record in the front line during the last great war, speaking of veterans' housing said this was Canada's second great betrayal; the first was the lack of proper reinforcements by Canada at crucial times during the battles of the recent war. That is the statement by the officer commanding a unit, who saw action himself and was elected by his comrades as a soldier representative in the Manitoba legislature.

I now repeat the request of the hon. member for Lambton West for a royal commission to make an impartial investigation, and following that a recommendation to this parliament, upon the property and construction involved in veterans' housing under the Veterans Land Act throughout Canada. I would also respectfully suggest that such a commission should hold sittings in the principal centres of each province across Canada. This would be an important factor in reducing wasteful public expenditure at this time in the interests of the taxpayers, and in obtaining a better deal for the ex-service men of the last war.

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, with the kind permission of the house and the indulgence of my hon. friend I shall say a word or two at once in reply to the statement just made by the hon. member for Souris (Mr. Ross).

I believe all hon. members of this house should recall how the projects under the V.L.A. in regard to housing were formulated. In the first place, in 1942 we had appointed an excellent committee of this house, of which I believe my hon. friend was a member, which made recommendations in reference to the land act. One feature of those recommendations was that there should be a small holdings section in the act. If we recall what took place on that occasion we will remember that many of those present, including many hon. members here today, were opposed to the idea of having housing under what was really supposed to be a land act as such. That objection was voiced by the hon. member for Souris, the leader of the C.C.F. party (Mr. Coldwell) and others at that time.

We had the housing crisis of 1944, the year I took over this department. Hon. Mr. Crerar was in charge of the department pre-

viously, and it was the recommendation of the committee of 1942 that I should take over the matter. There is still a committee out in the field inspecting these projects throughout Canada, but perhaps the house will forgive me if I make certain statements though the final reports of that committee are not before me at the moment. The subject has been mentioned during the course of this and other debates, and I think it fitting that I should say a word or two on it at this time.

This matter involves the construction of 2,600 houses on small holdings under the Veterans Land Act. There have been representations and some misrepresentations, possibly not intentional, both in the house and outside. I am not going to engage in any controversy whatever on the subject. I have had these projects carefully inspected during the past few weeks; and I am able to assure the house that while there have been numerous instances of faulty workmanship, as is known to every hon. member who is familiar with any of the projects, and in some cases faulty materials have been employed, all the defects are of a kind that can be made good, and at the moment they are being made good as quickly as that can be done. Last evening the hon. member for Souris mentioned a one hundred per cent repair job. This is to be effected in every case where it is required throughout the country.

Mr. MERRITT: If the minister will permit a question, is the repair job being done at the public expense or at the expense of the contractor who did the faulty work?

Mr. MACKENZIE: The repair work will be done at the expense of the Canadian people. The total cost will probably amount to some five or six or seven hundred thousand dollars, not a cent of which will be charged as an expense against the settlers on these small holdings.

Mr. GREEN: What about the contractor?

Mr. MACKENZIE: That is a legal question which has received and is still receiving consideration, as to the obligations of a contractor under the contract. Last evening my hon. friend referred to a cost plus contract, to which I shall refer in a moment. These, however, were not cost plus contracts; they were management fee contracts, and the average price or fee or reward to the contractor was in the neighbourhood of $200 per house.

Mr. MacINNIS: The good old free enterprise system, was it not.

Mr. MACKENZIE: Well, it was not very much by way of reward. I am assured by the officers I sent around to visit these centres—and we must look at this side of it as well as the other side—that the men and women for the most part are happy and contented, taking pride in their homes and environment. On the other hand, with complete frankness I have to acknowledge some defects. Had we not been so eager, to the point of hastiness, as a result of the need for shelter, possibly we could have done a better job. But at that time, in the winter of 1944 and in 1945, we were confronted with an absolute housing emergency in Canada. An interdepartmental committee was formed here, with Doctor Clark of the Department of Finance as chairman, on which most of the departments were represented. The director of land settlement was asked at that time if he could undertake the construction of some two to three thousand houses in Canada. He said he thought he could, because as my hon. friends will recall, material had been previously contracted for, for that very purpose. That took place before I came into the department, I think in 1944.

In a time of great difficulty, Mr. Speaker, and with the means at our disposal we have provided 2,600 homes for veterans and their families. A land settlement organization created for the purpose of reestablishing veterans in agricultural production was, through the inexorable demands of the housing shortage, thrown into the large scale construction of houses on suburban subdivisions. The plans and specifications were prepared by architects selected by the architectural institutes of the various provinces. The work was supervised by engineers and inspectors selected through the usual competitive procedure of the civil service commission. In other words all the members of the inspection staff were appointed by the civil service commission.

The contractors were among the most outstanding firms in Canada. They were financially sound and of the highest reputation. The programme was undertaken in a time of extreme difficulty. It was begun before the end of the war, and was carried out during the economic disturbances of the transitional and reconstruction period. The ultimate experience was fraught with difficulties. It was neither very much better nor very much worse than that which has been encountered by others who have engaged in large-scale construction projects. As a matter of fact we hear the same complaints from private construction projects as well as from those conducted under government auspices.

The hon. member for Lambton West (Mr. Murphy) spoke in the house. He knows the contracting firm which did the work, because

it is in his neighbourhood, and he knows of the high reputation of that firm. The hon. member has listed before the house a whole series of defects in the houses built in his constituency. As a result of inspection which has just been completed, it is recognized that there have been many instances of inexperienced workmanship. Just take your minds back to the time, and you will recall what conditions were in this dominion—and let it be understood that I am not blaming labour in any way for that. But there was a scarcity of materials—indeed a grave scarcity of materials—and in many instances a scarcity of experienced workmanship.

We were unfortunate enough in three projects, through no fault of our own, to have used plaster made from a cargo of lime which was subsequently condemned, and which was used by others as well as by ourselves. Because of a ruling prohibiting the use of certain materials for flooring, certain houses were built with quite unsuitable flooring material. The result was an imperfect job. We propose to replace the soft wood with hard wood.

Disturbances of the earth due to multiple excavations have resulted in drainage problems which probably should have been foreseen and more thoroughly provided for. These facts exist; but I am glad to be able to assure the house that all of these conditions are remediable, and that, with very few exceptions, at relatively small cost.

Furthermore I have consulted with my colleagues and I am able to assure the house that these defects will be made and are at the present time being made good. Complaints and protests which have reached the public press are inevitable in connection with a project which has been carried out under government auspices. They reflect the pride which young couples take in the construction of their first homes.

I am free to confess that assurances of correcting all defects should have been more explicitly given by those who were in close contact with local developments. This work of repairing defects is of course under way and will be accelerated under the best available direction. Let me make it quite clear that the defects, with a comparatively small number of exceptions, are the inevitable result of a shortage of skilled workmen and properly seasoned materials. They are not defects which when repaired will in any way affect the true value of the house.

Mr. LOCKHART: Were not all those jobs throughout the country in charge of selected superintendents who were supposed to know this work?

[Mr. Mackenzie.]

Mr. MACKENZIE: Yes; but my point was this, that the field was limited, and these superintendents were not selected by our department. The inspection staff all the way down the line was as a result of appointments under the civil service commission.

When these defects have been made good —and they will be made good—I have no hesitation in saying that veterans who buy these homes will have received for their investments a type of home which they cannot duplicate under present conditions at comparable costs.

The down payments are limited to $600. There is a conditional grant—and this is what my hon. friends seem to forget, when they refer to a price of $7,300 to the veterans, as was mentioned by the hon. member who spoke last night. There is no such thing as a cost to the householder of $7,300. I will give the actual costs in a minute or two. As I said, the down payments are limited to $600. Then there is a conditional grant which, in all but a few cases in respect of houses built at exceptionally low costs, reaches the sum of $1,400. That is the conditional grant. Monthly payments which are payable by these householders range from $16 or $17 a month to $28 a month.

Provided we assume that these houses are to be placed in first-class condition, where can they get accommodation today in Canada for a monthly rental which ranges from $16 or $17 to $28 per month? I say you cannot rent comparable accommodation at those prices at the present time.

Mr. GREEN: Was it not the intention that the total cost of these houses should not be over $6,000?

Mr. MACKENZIE: It was the intention at the start that the cost of the houses would be far less than that.

Mr. GREEN: I said not over that.

Mr. MACKENZIE: Quite correct. But there was never any guarantee given. I believe it was the leader of the opposition (Mr. Bracken) who pointed out what had happened, when he was quoting from some propaganda put out some years ago; the monthly rental value was given as $13.82, if my memory serves me correctly, on a house estimated to cost something over $3,000 under the National Housing Act.

As my hon. friend knows, the first house we built under this project, near Vancouver, cost about $4,000. In every case now we have done two or three things which I shall mention in a moment or two. In the first place

this conditional grant of $1,400 is a rebate of some twenty per cent upon the highly priced houses.

Mr. GREEN: But it was always the intention that there would be a rebate, was it not?

Mr. MACKENZIE: It was not the intention that there would be any rebate beyond the $1,400.

Mr. GREEN: That is under the act.

Mr. MACKENZIE: That was a conditional grant to enable the settler to have a better opportunity to settle in these new homes. It enabled him after ten years to have an equity in the house, and then over a period of twenty-five years at three and a half per cent at payments running from $16 or $17 to $28 a month, he can own the house.

That is the actual economic situation. True, there have been cases where costs have been high to the director, and that was in many instances because of the cost of such services outside the actual house itself as roads, sewerage and drainage. These amenities would be charged to the total cost to the director. But as against that there was the conditional allowance of $1,400.

Mr. GREEN: Notwithstanding that, the original intention was that the total cost would not be over $6,000 on any residence; is that not true?

Mr. MACKENZIE: The intention was at the start that the cost would not go over $6,000. In a general way it was expected to range from $4,800 to $6,000, but we encountered rising values and rising costs. It is the same in private construction today. I invite anyone in the house to try to build the same house today, and to compare the cost of that house with the cost in 1939.

I asked Mr. Mansur of Central Mortgage and Housing Corporation—well, I did not ask him, but one of my friends did—what was the total increase in cost as between 1939 and now. I think his figure ran up to 73 per cent.

Mr. ROSS (Souris): It was 130 per cent in the one I mentioned.

Mr. MACKENZIE: My hon. friend used a higher figure.

Mr. MURPHY: Does not the veteran who accepts the $1,400 waive gratuities which he would otherwise get?

Mr. MACKENZIE: No. That is a good point; I am glad my hon. friend asked that question. I think what I am going to say now will make my hon. friend realize—he probably does already—the real service that is rendered by the state in these cases. For instance, take the service men who built or bought within urban areas, and there are 40,000 of them. What they got was their reestablishment credit—and this averages $445—and the consequent obligations throughout the years. That is what they got as against the amount given by the state in these 2,600 cases. In this case there is a down payment of $600 and additional allowances up to $1,400. No matter how high the cost may be, the additional allowance is not interfered with.

Mr. MURPHY: When a man accepts the $1,400 referred to, does he not waive some credits?

Mr. SPEAKER: I would remind hon. members that we are not in committee, and it is against the rules to ask questions of the hon. member who has the floor, without first asking his permission.

Mr. MURPHY: I wonder if I could ask the minister this question, through you, sir, to clear up the point. If the veteran accepts the $1,400 does he not waive other credits or gratuities that he would otherwise be entitled to?

Mr. TUCKER: It is in the Veterans Land Act.

Mr. MACKENZIE: Grants under the land act.

Mr. MURPHY: That is what I mean.

Mr. MACKENZIE: Certainly. Let me give the rest of the picture. The Veterans Land Act administration has already established some 22,000 veterans. More than 11,000 have been settled in full time farming; approximately 9,500 have been established on small holdings, and these subdivision projects which I have been discussing represent only 2,600 of those 9,500 holdings. The financial assistance under the whole act amounts to more than $111 million. The cost of the 2,663 subdivisions will be in the neighbourhood of $20 million. I mention these facts because I think it is only fair to the director and his staff that the difficulties which have been encountered in house construction should be viewed in their proper perspective in relation to the magnitude of the other operations which have been carried on simultaneously and successfully.

I do not propose at this time to try the patience of the house with a complete description, because I shall probably have further information from the committee of three gentlemen which is inspecting these projects.

Requests have been made here today, and previously, for a royal commission. But what would be the use of a royal commission at this time? In the first place you would have to wait for a year before these men's houses were fixed up. We hope with any reasonable chance of success to have it done in two or three months.

I come now to another question, and the hon. member for Nanaimo (Mr. Pearkes) will know about this because this has reference to one of the projects in which he is interested. I refer to the matter of drainage and sewage. It is the intention immediately to get the best experts on drainage to look at these particular projects, because we realize that drainage is of paramount importance.

Mr. PEARKES: Could not that have been done before the buildings were started?

Mr. MACKENZIE: That goes back to the basic conception of the act. The basic conception of small holdings under the Veterans Land Act was that they were to be semi-rural and semi-urban. In other words, part of the man's earnings were supposed to come from an industrial occupation and part from the tilling of some land. As a result, whether it was right or wrong—we discussed it in the committee last year—agricultural land was used largely for these projects and this land was thoroughly unsuited for good drainage. That is one of the troubles we have had on the island.

We will have all the necessary information in two weeks and we will make corrections as fast as the right materials can be obtained in sufficient quantities. I have also learned to my great regret that the organization which was charged with this building project was not well suited for the purpose. I am referring to the inspectional division of the land settlement act. I reached that conclusion one year ago and we put a stop then to the initiation of any further subdivision projects, although certain houses were being constructed in certain areas. A sharp line of division was drawn between the housing activities under the direction of my colleague, the Minister of Reconstruction and Supply (Mr. Howe), and the settlement work of the Veterans Land Act.

The Veterans Land Act is not the only method of assisting veterans to obtain houses. Thirty-nine thousand veterans have acquired houses, as I said, by using their reestablishment credits, and more than $17 million have been advanced for this purpose. What is called for at this stage is the assurance which I have endeavoured to give in this brief statement, that the veterans who buy Veterans Land Act houses shall receive fair and just treatment and that such defects as have been found shall be made good so that young veterans and their families may start off in life with comfortable houses of which they can justly be proud.

I want to give the house a few figures. The cost of the first 1,908 houses built under the scheme can be broken down as follows:

127 cost less than $4,500.
247 cost between $4,500 and $5,000.
295 cost between $5,000 and $5,500.
533 cost between $5,500 and $6,000.
383 cost between $6,000 and $6,500.
323 cost more than $6,500.

Mr. JOHNSTON: Could the minister state where those are located?

Mr. MACKENZIE: I could not do that offhand, but I could easily find out for my hon. friend. In other words, 84 per cent of the houses were built for less than $6,500; the remaining 16 per cent cost more than that amount. As I said before, the veteran must pay ten per cent of that figure, and where the cost exceeds $6,000, the down payment is limited to $600. Where the director's cost is $6,000, there is a conditional grant to the veteran of $1,400. Where a director's total cost is more than $6,000, the grant is maintained at $1,400. Where the director's total cost is $5,500, the total cost to the veteran is $4,216.67 with monthly instalments of $18.24. Where the director's total cost is $6,000, the total cost to the veteran is $4,600 with monthly instalments of $19.82. Where the director's total cost is $6,500, the total cost to the veteran is $5,100 with monthly instalments of $22.39. Where the director's total cost is $7,000, the total cost to the veteran is $5,600 with monthly instalments of $24.87.

Mr. GREEN: Does that cost to the veteran include interest?

Mr. MACKENZIE: Yes; in the monthly payments. Sarnia and Windsor have been mentioned quite often, and I got the figures of the lowest and highest cost houses at both these points. The price to the veteran of the lowest cost house at Sarnia was $6,055 with monthly payments of $27.14. The price of the lowest cost house at Windsor was $5,863 with monthly payments of $26.18. The highest cost of a veteran's contract at Sarnia was $6,491 with monthly payments of $29.27, and the highest price at Windsor was $6,235 with monthly payments of $28.02. The cost to the veteran as far as Sarnia is concerned involves the adjustments that were made as a result of the writing off that was done there last year.

Mr. MURPHY: Do the figures given by the minister for Windsor and Sarnia include the

$1,400 which was deducted from their contracts? That $1,400 includes the veteran's credit or gratuity.

Mr. MACKENZIE: The figures quoted were after deduction of the $1,400. The hon. member for Souris (Mr. Ross) spoke last night of veterans being called upon to pay $7,300. Again I want to give the facts in regard to the project he mentioned in the neighbourhood of Winnipeg. The facts are that the veterans pay $600 down. For the larger house they pay an additional $5,256 in monthly instalments. For the smaller house they pay an additional $4,709 in monthly instalments. The actual cost to the veteran is not $7,300, but $5,856 for the larger house and $5,309 for the smaller house.

The other question raised was the possibility of a further reduction in the capital cost. I feel reluctant to speak on this before receiving the report of the committee of inspection dealing with the physical nature of the project.

Mr. ROSS (Souris): What are the names of the three men on the committee?

Mr. MACKENZIE: The deputy minister, Mr. Walter S. Woods; the director, Mr. Murchison, and Colonel Parish, M.E.I.C., of Montreal, a reputable engineer in every way.

Mr. FLEMING: Is it the intention that that committee shall inspect all the houses?

Mr. MACKENZIE: That would take exactly one year and I think it will be agreed that our first duty is to put these houses in first-class shape as soon as possible.

Mr. BROOKS: May I ask—

Mr. SPEAKER: Order. These continuous interruptions are absolutely out of order and I would ask hon. members to abide by the rules.

Mr. CASSELMAN: So is the minister's conduct out of order. He is not on the speakers' list at all.

Mr. GARDINER: That would be very nice if you could get away with it.

Mr. CASSELMAN: He is getting away with it.

Mr. GARDINER: I mean getting away with charges and no answer being made.

Mr. MACKENZIE: I have been as frank and explicit as I could be in regard to the two features of this housing situation: first, defects in construction and the necessity for replacing some of the material that was used, such as soft wood and other materials which were used in these houses which were built in a hurry. That work will be done during this summer. As to drainage there may be engineering features which will make the completion of that work come a little later.

Mr. BROOKS: Are the same contractors being used to make the repairs?

Mr. MACKENZIE: In one or two cases, but generally speaking, no. We are trying to get experts who are entirely outside the old organization and I am receiving every assistance from the Minister of Reconstruction. The two fundamental features that we are dealing with are, first, the repairing and reconditioning and putting into first-class shape of all these houses wherever they are throughout Canada, and seeing that wet basements and conditions of dampness caused by faulty drainage or otherwise are corrected as soon as possible. The second is the request which has come from various sources for a royal commission. The only feature with which a royal commission could deal would be in my judgment, the question of a cut in the capital cost. If we were to ask a royal commission to examine the physical condition of these houses it would simply be delaying their completion and delaying the furnishing of the amenities to which these settlers are entitled.

I have been very frank with the house, as I should be, in dealing with this whole situation. I have held nothing back. I have told the house that the construction work was hurried, and, further, that it was impeded by a lack of materials. We all know what the material situation was in Canada and the difficulties that were experienced in getting housing outside altogether of this project. The faults are being corrected at once and we believe that these houses, when completed, will be a social pleasure to the occupants.

This is my final word. Let us not forget that our main interest in this thing, the main interest of every one of us in the house, is not the pointing out of faults but going along together along a trail of twenty-five years with the servicemen, and I invite the cooperation of every party in the house in doing all we can to ensure that our veterans shall enjoy the happiness, security, prosperity and environment which they so richly deserve.

Mr. GREEN: Is there to be any cut in the cost to the soldier?

Mr. MACKENZIE: No, not further than the conditional grant and the equalization adjustment under the order in council.

Mr. ARMAND CLOUTIER (Drummond-Arthabaska): Mr. Speaker, I have listened with deep interest to the remarks and exposé of the Minister of Veterans Affairs (Mr. Mac-

kenzie) in regard to veterans housing, and on behalf of the electors of the historic constituency of Drummond-Arthabaska, which I have the honour to represent in the Canadian House of Commons, I wish to congratulate him most heartily.

Availing myself of your customary kindness, Mr. Speaker, I shall continue my speech in French, the language of my forebears, and conclude it in English in order to show my esteem and regard for my English-speaking fellow members, from whom I have received so many marks of kindness and consideration since I entered parliament.

(Translation):

Mr. Speaker, ever since my election as member for Drummond-Arthabaska, a constituency which has had outstanding representatives, it had been my wont to deliver one speech in the course of each session. To those who may be wondering why I have not risen in my place since I was reelected in 1945, I may say that, owing to my esteem and consideration for my new fellow-members, I felt I could wait, thus affording them the opportunity of stating their views and their policy. I avail myself of this occasion to pay a tribute to the present members, who form the finest body which, so it seems to me, we have had for a number of years.

Mr. Speaker, I cannot but take advantage of this opportunity to extend to you the customary congratulations and to tell you that every citizen in the fine constituency of Drummond-Arthabaska was as delighted as I have been when you were called upon to fulfil the high functions of Speaker of this house. No better choice could have been made. As a grandson of the great Honoré Mercier, you have, through your talents, your personality and your industry, attained the high post which you occupy with so much dignity. You may be assured of the best wishes of all the electors of my constituency and myself.

May I sincerely compliment the mover and the seconder of the address in reply to the speech from the throne. The hon. member for Prince has performed his task in a most admirable manner, and I could hardly tell how glad I was to note the truly Canadian spirit he evidenced in speaking as well as he did the language of my ancestors.

As regards the seconder, I knew beforehand that he would be equal to the task, as I had frequently had occasion to admire him in political contests. I knew that he would make good use of his eloquence and that he would win the plaudits of all members of this house through his gentlemanly qualities and his quite personal appeal.

I am now constrained to introduce a note of sadness. I cannot forgo this opportunity of paying a tribute to a great Canadian, who was minister for my district and whose death is lamented by all. I have known and esteemed him and he has often given me sound advice. I am referring to that great Canadian, the late lamented Hon. P. J. A. Cardin. His thirty-five years of active political life will ensure him an honoured place in the history of this country. During his splendid and fruitful career, Hon. Mr. Cardin enjoyed the respect of all, because he was always upright and sincere. He had firm principles and his courage was indomitable. The sterling qualities which made him a beloved and respected leader will always cause him to be cited as an example. His name will live in history, with the radiant qualities of heart and mind of a great statesman. Through his ability, his eloquence and his powerful mind, he rose step by step in the political sphere and attained the highest functions in the federal administration. While proud, he was never haughty and to him honours were of minor importance, as against the respect of his principles and the interest of his fellow-citizens. I was deeply moved when I saw his noble countenance immobilized by death, but still keeping an expression of gentleness and firmness. I felt I still heard his musical voice, his eloquent words, when I pondered the heavy loss his death meant for his compatriots and all Canadians. Now that he has left for the great beyond, many among those who knew him less will better realize the important and patriotic part he has played in our public life. His memory will endure and his life will remain a symbol, an unforgettable example of public spirit and devotion.

The population of the constituency of Drummond-Arthabaska is made up of the two best elements that can be found, as it includes both farmers and workers. We know what an asset the land is for a country, and what vitality the people derive from it. The farmers in our district keep on, peacefully but without respite in this twentieth century, ploughing the toilsome and everlasting furrow which was begun in the seventeenth century by the settlers of Richelieu, Colbert and Talon.

As regards the workers, I feel quite close to them, because for nearly twenty-one years I was paymaster, accountant and statistician for the Drummondville Cotton Co., which is

a subsidiary of the Dominion Textile, and whose plant is one of the most important in Drummondville, employing as it does more than 1,600 workers. I say, Mr. Speaker, that my contact with them has enabled me to understand their problems and to sympathize with their most legitimate wishes. Drummondville, Victoriaville and other industrial centres of my constituency deserve mention for the harmony and the good spirit which exist between employers and workers. Both groups are cooperating whole-heartedly and their relations are of the best.

Mr. Speaker, permit me to extend my most sincere congratulations to the hon. Minister of National Health and Welfare (Mr. Martin), the former Secretary of State in this government, for his splendid work in connection with the citizenship act, both in sponsoring the bill in the Canadian parliament and in supervising the administration of the act. That legislation affords fresh hope for a prompt and sincere effort toward the achievement of a Canadian spirit. But it should not be forgotten that this agreement, this Canadian unity will only be attained if the spirit of 1867 is strictly adhered to and it is realized that the people of this country are all Canadians, having equal rights, there being neither a conquered nor a conquering element.

Canadian unity has long been a moot question. I know, Mr. Speaker, that there will always be narrow-minded people who will seek to curb any movement toward good understanding and unity among all Canadians. Those extremists form a small minority and they are more vocal than dangerous. However, I say that the Canadian nation is gradually developing.

Bilingualism is the very basis of our great national principles; it is for us an element of strength, marking as it does our racial duality, and the union of two great modern civilizations through a double classical and scientific education. Our cultural idealism is blended with a practicalness which permits us to benefit from that deep culture.

The French element does not exist only in Quebec; the French Canadians are prolific and they have preserved the adventurous spirit of their forebears. They have spread over every part of the country. They are good settlers, they know how to clear new land and they are born builders and pioneers. Courageous and industrious, they have at heart the success of their task and the preservation of their language. Western Canada as well as the maritime provinces have many French-speaking communities. Two million French Canadians are to be found in the United States. Recent statistics show that in these last two or three years, more than 11,000 people from Quebec have taken up residence in Ontario.

A great Toronto periodical, *Saturday Night,* notes these facts and states that such a trend cannot be changed and that it is likely to become more and more noticeable. The Ontario writer states in conclusion:

> Under such circumstances, why should we not improve our relations with the French Canadians and admit once for all that Canada is a bilingual country, a confederation of two racial groups having each its own language and its own culture. At the present time, bilingualism means more particularly that the French Canadians must learn English.

The writer goes on to deplore the fact that the French language is poorly taught outside of Quebec and he emphasizes that sooner or later the majority of Canadians will have to speak both languages.

That article from *Saturday Night* reflects credit on its writer and it greatly enhances the cause of Canadian unity. It recalls the very principles of the Canadian confederation and opens out new prospects for this country.

It is indeed desirable that the French language should be better taught throughout the country, so that English-speaking Canadians may better understand us. At the same time, it must be stressed that the English language should also be taught more efficiently within our province, for similar and other still more important reasons. Otherwise, we shall always have but one official language, our own. Newcomers in this country prefer English because it is easier to learn. It would be to our advantage and interest to learn better the language of the majority. If we did so, and if the rest of the people followed the advice given by the author of the article published by *Saturday Night,* Canada would become a bilingual country and we could rightly speak about a Canadian nation.

Mr. Speaker, how shall we be able to attain to the rank of a true nation or achieve Canadian unity? We shall reach such an objective by giving our country an emblem, a truly Canadian and distinctive flag, which will enable us to identify ourselves clearly, proudly and promptly. In this connection, I must compliment the government, on behalf of all my electors, for having included that commendable measure in the speech from the throne last year and having appointed a committee for that purpose. That committee in which I did not sit included outstanding

people from Quebec and other provinces, men who are no doubt conscious of their responsibilities and of the importance of their task, an enlightened and competent committee which will do justice to all, willing to consider the legitimate claims of the people and of the press as well as the merits of all the designs which have been submitted to it. We all know that the committee has reported that in its opinion Canada should have a national and distinctive flag.

Mr. Speaker, what more shall we have to do in order to attain to the rank of a true nation and achieve Canadian unity? We shall have to adopt a national anthem. I know of nothing more beautiful or loftier than the anthem O Canada. It is a martial poem which evokes our whole past featured by struggles, toil, efforts and pride, a true epic from which the people derive courage, strength and ideal, as well as a purpose for living, fighting, conquering, and if needs be, generously sacrificing their lives.

And what can be more stirring than that music to the rhythm of which our boys, in these times as in the past, have marched and defeated the enemy.

Canada's national anthem does not belong exclusively to my kinsmen, who find in a distant past the chief reasons of the love they feel for their country. The other racial groups who live in Canada also have their heroes and their martyrs. We all sing the same anthem; may we all understand it, and make it the basis of our thoughts, of our very life, and of our common love.

O Canada is the true anthem of this country; its accents arise from the land and are echoed by our great river, by the boundless forests which extend from the east to the west, forming the poignant voice of the past, the dynamic voice of the future. O Canada should remain our national anthem, it should continue to give expression, in this country as outside, to the spirit and the soul of our people.

Mr. Speaker, the French Canadians, like all other racial groups, are proud of their nationality, of their glorious past, featured by intellectual endeavours and contributions to moral improvement. They are proud of their language, they cherish their institutions and they intend to survive, to preserve their position in a country they have developed and in which they have multiplied. I consider national unity as a vital pact so lofty and noble in its scope and its inspiration that the parties to the agreement should esteem and respect each other. We are the most truly Canadian among Canadians, inasmuch as we have long been rooted in this country and we have benefited for many centuries from the numerous influences of our environment. In passing, I wish to recall with pride that my own ancestors came from France in 1616, eight years only after Samuel de Champlain had founded Quebec, but nevertheless, my only claim is that I am simply a Canadian.

We are of French and English descent, our culture is both French and English and that is the very reason why we feel impelled to safeguard the sacred heritage which our ancestors and yours have left us, those principles which are the very basis of our lives, which condition them and give to Canada a truly distinctive character.

(Text):

Mr. Speaker, so that this appeal of mine for cooperation, for Canadian unity, may also reach my English-speaking colleagues, I shall now complete my address in English, a language not altogether unknown to me, of course, but understandably less familiar to me than my own.

I thus wish to show my esteem and regard for my English-speaking colleagues both in and outside the province of Quebec, so that all may hear and understand my message, this appeal of mine, for earnest cooperation in the furtherance of national progress. Since Quebec members are ever ready to share in this effect, I too have wanted to do my bit in the furtherance of Canadian unity. I shall therefore continue my remarks on Canadian unity, following those I have just spoken in French. I can well imagine two great races of different backgrounds growing side by side in mutual respect, each striving better to understand the other. It is my feeling that war, in demanding closer contacts between provinces, between eastern and western Canada, between the French and the English elements of this country, has enormously helped a closer association of the people of Canada, a country so vast that differences may be noted in the mentality, outlook, habits and customs of people in the various provinces.

No wonder then that English and French Canadians, though living side by side, but being of different backgrounds and extraction, remain strangers. It may be that war shall have served to establish unity, wrought this miracle of *rapprochement* and mutual regard which long years, nay, a whole century of striving failed to bring about. The scourge of war then has had this beneficial result, for it has brought us to the threshold of a true and

real understanding. I believe there is not a single member of the armed forces in this country who does not count good friends in some of the other provinces.

Mr. Speaker, on behalf of my constituents, and as representative of the historic constituency of Drummond-Arthabaska, once represented here by Sir Wilfrid Laurier whose voice I modestly echo, I say that we Canadians of French ancestry from old Quebec are ready to extend a cordial hand of friendship, to cooperate in the attainment of this common ideal, so that in the surge of progress now apparent throughout the world, Canada may play a part befitting this vast, wealthy, young and free country. It is necessary that we strive not for a national but for an international outlook. Let our thoughts and discussions no longer dwell on the past but let them carry us into the future in union, harmony and unity.

In my enthusiasm and sincerity, Mr. Speaker, I am reminded of those glorious monuments on parliament hill that recall our political history and the memory of past statesmen: first, the great Queen Victoria, of whom our elders still speak with reverence and whose memory remains dear to all Canadians, then Sir George-Etienne Cartier, an outstanding father of confederation, an inspired patriot, who gave us the song "O Canada", my beloved country, and whose death was truly a national loss, Sir Alexander Mackenzie who, in 1878, asked Sir Wilfrid Laurier to join his cabinet, George Brown, who may well remain as the symbol of the hard task that had to be faced by our first Canadian politicians at that decisive period. At the base of his monument the sculptor has placed a ballot box, a sword at rest, an olive branch and a banner upon which are inscribed the words, "Government by the people, free institutions, religious, liberty and equality, unity and progress of confederation." These are the fundamental principles of civil and religious liberty more enduring than the stone upon which they are inscribed. May this ever be the monumental position of a nation of liberty loving peoples unshackled by injustice and tyranny.

At a distance I see the monument of D'Arcy McGee, the great Irish patriot, murdered by the Fenians, whose memory remains green in the hearts of all true Canadians; Lafontaine and Baldwin, who struggled side by side for responsible government, whose administration is not forgotten. Though of different creeds and of different racial origin, they found in their common desire to serve their country and their countrymen, as well as in mutual esteem, grounds for union and lasting affection. What an example of understanding; what a testimony to Canadian unity!

Sir John A. Macdonald was another father of confederation, and not the least, who did much to build up this great and beautiful country, and whom Canadians rank as one held in high esteem in all parts of this country.

Finally I see, gazing eastward as if still watching over his province, the great Sir Wilfrid Laurier, the silver-tongued orator who, in a memorable speech in Paris, once said: "France gave us life and England gave us liberty." How dearly he loved that province of his, and yet, truly a Canadian, he remains the great advocate of friendly understanding.

In the presence of those statues or material symbols, which are so many landmarks in Canadian political history, there comes to me a vision, an insight into the future of this great country of ours. I can imagine a Hill; a Louis-Philippe Hebert, a Soucy, a Brunet, a sculptor shaping his medium, gathering and putting together bits of material that will soon blend into a complete harmonious whole. What a marvel. It is possible only for a genius, this creation of a living, animated being. Would I were that genius, Mr. Speaker, this sculptor before his task, a creation unlike any other, strong, huge, endowed with the breath of life.

At this moment, Mr. Speaker, I can well picture our country, this Canada of ours. And to close this allegory, I shall quote from the works of one of our poets these few lines from "The Mixer", whose meaning reaches the very depths of my soul, and which I should like to share with you:

> In the city, on the prairie, in the forest, in the camp,
> In the mountain-clouds of colour, in the fog-white river damp,
> From Atlantic to Pacific, from the great lakes to the pole,
> I am mixing strange ingredients into a common whole.
> Every hope shall build upon me, every heart shall be my own,
> The ambition of my people shall be mine and mine alone.
> Through the pangs of transformation in my fiery furnace-blast,
> Do I shape and mould and make them "Canadians at last."

Mr. H. R. ARGUE (Wood Mountain): Mr. Speaker, in rising to take part in this debate, I find there are a good many topics I could cover which affect the people of my province. The farmers of western Canada would appreciate a good deal of information on several subjects. For example, they would like to know what is likely to be the policy of the government in coarse grains, so that they can

plan their production in that regard for this year. They would like to know if their costs of production are going to increase step by step continuously this year, as they did over the past year.

However, the one problem perhaps foremost in the minds of the people of western Canada particularly at this time, and indeed in the minds of all Canadians, is the question of an adjustment in freight rates. Over the years western Canada has been handicapped because of its transportation problem. Because of our geographical position, because we are in the centre of a large continent, and because manufacturing is carried on largely in the central provinces, we are wholly dependent upon the railways to bring in freight and export our produce. The cost of freight to the consumer is usually a mark-up over the price charged by the manufacturers in the central provinces. On top of that freight cost are mark-ups by the wholesaler and the retailer, which of course increase the cost to the consumer.

Over the years, there has been a tendency for the board of transport commissioners to take cognizance of the vast disparity in freight rates as between western and eastern Canada, and there has been some closing of that wide gap between the freight rates of Ontario and Quebec and those of western Canada.

Mr. DEPUTY SPEAKER: I would remind the hon. member that the question of freight rates is now before the board of transport commissioners. If the hon. member will look at Beauchesne's, third edition, page 105, paragraph 251, he will find it states that the board of railway commissioners is a court of record. Any matters before a court of record are *sub judice* and, in my opinion, should not at this time be discussed in the house.

Mr. COLDWELL: The paragraph states:

> The board of railway commissioners is a court of record and therefore may not be attacked except by way of impeachment.

Surely this debate is not an attack upon the board of railway commissioners. If I remember correctly, last night the hon. member for Lisgar (Mr. Winkler) dealt extensively with this subject, as other hon. members have done. It will be noted that paragraph 252 states:

> Matters which have been adjudicated upon by the railway commissioners and taken in appeal to the governor in council cannot be considered *sub judice* while the appeal is pending, because the governor in council then acts in an administrative and not a judicial capacity, and therefore such matters may be debated in the House of Commons.

[Mr. Argue.]

If, when an appeal from the board of railway commissioners is pending, the discussion of such matters is not precluded in the house, then surely it follows that matters of this description before an appeal, or before a judgment has been given, should not be precluded from discussion.

I repeat that other hon. members have been allowed to discuss this matter; and, since it affects the hon. member's constituency very closely, I suggest that he should not be precluded from doing what others have already done.

Mr. DEPUTY SPEAKER: I did not happen to be in the Chair when other hon. members were discussing this matter. I do not recall that a general discussion on an increase in freight rates did take place.

Mr. KNOWLES: The matter was discussed last night by the hon. member for Lisgar.

Mr. DEPUTY SPEAKER: The hon. member for Lisgar may have mentioned it.

Mr. COLDWELL: And the hon. member for Souris (Mr. Ross).

Mr. DEPUTY SPEAKER: I do not think he went into a discussion of the subject. *Hansard* will record what he said.

Mr. KNOWLES: He spoke for fifteen minutes on the subject.

Mr. DEPUTY SPEAKER: Paragraph 252, to which the hon. member for Rosetown-Biggar (Mr. Coldwell) has just referred, states that the reason the matter can be discussed after a decision has been made and an appeal taken to the governor in council is that the governor in council is not acting in a judicial capacity. But when a matter is being considered by a court—and anything being considered before a court is a judicial proceeding —then it cannot be discussed in the house, and is definitely *sub judice* at that time.

I feel satisfied that this matter is now before a court of record, and that in compliance with paragraph 246 (c) it is now out of order to refer to any matter on which a judicial decision is pending. Surely a judicial decision is now pending with respect to freight rates.

Mr. COLDWELL: Does it not depend upon what the definition of a judicial decision is? Surely a board of commissioners appointed by the House of Commons or by the crown is not a court giving judgment; or, to put it in another way, is not a judicial court. Hence it seems to me that the hon. member should be allowed to continue his remarks, particularly, as I say, because it would not be

fair—and I know Your Honour always tries to be fair—to limit his remarks after the house has allowed other hon. members to consider the matter at some length.

Mr. GARDINER: Mr. Speaker, last night I was in the house when two hon. members did discuss this matter, namely the hon. members for Lisgar and Souris. It was not discussed at great length.

Mr. COLDWELL: I said "at some length".

Mr. GARDINER: Yes, it was at some length, and at sufficient length to have resulted in its being ruled out of order, if, indeed, it is out of order. The point was brought up by those of us who were in the chamber at the time as to whether that question should be raised. I do not know whether any study has been given to the matter since that time. But if there has not been, inasmuch as we have only another hour and a half before concluding today's sitting, and so long as there is not a lengthy discussion on the subject, probably in fairness to those who desire to say a word or two on the matter it would be better to permit them to proceed, and to have a final decision before we begin discussion again tomorrow.

Mr. DEPUTY SPEAKER: Mr. Speaker has given the matter some consideration since it was mentioned in the house. I hold in my hand a written memorandum, the contents of which I have not seen nor have I discussed with Mr. Speaker, but which, I am sure, he would have no objection to my reading at this time. Apparently he has given it careful consideration.

Mr. GARDINER: I was not aware it had been given study. If it has, we would like to have the benefit of it.

Mr. DEPUTY SPEAKER: I shall read the memorandum.

Mr. COLDWELL: I must suggest that, whatever Mr. Speaker's memorandum may be, the proceedings having been allowed to go as they have gone, the suggestion offered by the Minister of Agriculture (Mr. Gardiner) is the one which should be considered. I would not be inclined to appeal a ruling on the ground that if Your Honour gave a ruling it would be the wrong one; I would be inclined rather to appeal on the ground that a matter of equity is involved, and that because of that a ruling should not be given.

Mr. GRAYDON: You are getting to be quite a lawyer.

Mr. COLDWELL: Thank you.

Mr. DEPUTY SPEAKER: Perhaps it would be better if I were to read this memorandum, so that it may be on record. Then the hon. member for Wood Mountain (Mr. Argue) could govern his remarks accordingly. The memorandum states:

Some reference has been made during the present debate to the question of freight rates. It is a matter of public information that the board of transport commissioners is at present hearing an application by the Canadian railways for an increase in freight rates. For this reason, I have been somewhat concerned with regard to the matter and thought it well to make a statement in regard thereto.

I am fully aware that the question of an increase of freight rates is a matter of great public interest, and that this public interest was bound to reflect itself in this House of Commons. I am also aware that our parliamentary system is one based on the right of free speech, and particularly on an exercise of this right, by the elected members of this house.

However, I think it my duty to bring to the attention of the house, the long-established rule of Canadian parliamentary practice, that a member while speaking must not refer to any matter on which a judicial decision is pending. (Beauchesne's third edition, citation 246 (c)). I may say that the same rule applies in the British House of Commons. (May, fourteenth edition, p. 430.)

Section nine of the Railway Act provides that the board of transport commissioners for Canada shall be a court of record. It is quite clear, therefore, that proceedings taking place before the board of transport commissioners are *sub judice*, and reference to such matters is barred by the rule to which I have referred.

It might be well for me to point out to the house that the board of transport commissioners, formerly known as the board of railway commissioners, is set up under the provisions of a statute duly enacted by the Canadian parliament. Every section of Canada is represented on the board and there is little doubt that parliament in creating this board felt that matters within its jurisdiction could best be dealt with by an independent board, free from what might be described as the heat of party politics. The members of the house will, I am sure, desire that the board should have an opportunity of discharging its duties impartially and without prejudice. Any judicial body is given like protection under our system of government. For instance, the press with all its freedom is restricted in its right to comment on matters being adjudicated upon by a court of record.

It is of course the privilege of any hon. member of this house who is sufficiently interested to make his representations to the board at its present sittings.

I would also point out the Railway Act provides that any party interested may petition the governor in council to vary or rescind any order or decision of the board. After the board has completed its work or, should such an application be made to the governor in council, this house will have ample and proper opportunity to debate the whole matter.

In making this statement, I have not overlooked the fact that the only discussion excluded by the rule is the matter actually before the board of railway commissioners, namely, an application by the railways for an increase in

freight rates. I ask, therefore, that the members keep in mind the rule to which I have referred in speaking in this debate and in any debates which may follow while the matter is *sub judice.*

Mr. ARGUE: The only reason I went to the trouble to get this information together was that I think this particular matter is of vital importance to the people of western Canada. As I understand it, an appeal from a decision of the board is to the governor general in council and I would not consider I was doing my duty if I did not speak on freight rates before a decision is made. I shall attempt the best I can to keep away from referring to the application.

In making a submission to the royal commission on dominion-provincial relations in 1939, Mr. R. A. C. Henry said:

From 1916 to 1920, the various general increases in rates which were granted, while allowed as protection to the carriers against increased costs, were at the same time used to reduce further the disparity between eastern and western rates.

It is generally well known that there is disparity between rates. For instance, it costs twenty cents to ship 100 pounds of petroleum products fifty miles from the city of Regina, whereas it costs only eight cents to ship a similar weight a similar distance from the city of Sarnia. Surely it can be seen that any upward revision of these rates on a proportionate basis would further widen that disparity.

The argument that there is competition from trucks operating on the highways in western Canada can be met. This type of competition is very small in western Canada, particularly in Saskatchewan. There are only 139 miles of hard-surfaced roads in Saskatchewan, whereas in Ontario there are 7,407 miles of hard-surfaced roads, including Portland cement, bituminous pavement and bituminous surface. Then there is water-borne competition which is not available in western Canada. The people of western Canada are wholly or nearly wholly dependent upon the railroads for transportation of goods into and out of that part of the country, and consequently they are concerned with what freight rates may be at any particular time.

We should remember that a tremendous backlog of demand for goods has been built up, particularly in Saskatchewan, on account of the long years of depression before the war and to the fact that the production of most items was drastically curtailed during the war. Because of that backlog, the freight rates that must be paid on incoming goods will have a serious effect upon the living standards of the people in that part of Canada.

[Mr. Deputy Speaker.]

For instance, in 1946 the Ford dealer in Regina had a quota of 300 cars; this year his quota is 600. The same figure applies to the Chevrolet dealer. Increased freight rates on 600 cars, twice the number of cars shipped in 1946 will mean a real added cost to the epople of that province of Saskatchewan. The cost of transporting a Dodge de luxe special four-door sedan from Windsor to Moose Jaw is $117.23. Thirty per cent of that figure amounts to $35.17. It costs $41.50 to ship an eight-foot tiller combine with seeding attachments from Brantford to Regina, and thirty per cent of that is $12.45. The freight charges on an eight-foot combine are $74.63, thirty per cent of which would be $22.39. Then there is the mark-up put on the freight charges by the wholesaler and the retailer. That adds further to the transportation charges. Taking $35 as thirty per cent of the cost of transporting a car from Windsor, the mark-up would probably raise that amount to well over $50.

We should keep in mind, too, the fact that housing conditions in Saskatchewan are bad as a result of the depression and because of the small amount of building during the war years. A survey in the prairie area was made by the farm management department of the university of Saskatchewan. This showed that 23·5 per cent of farm homes were considered to be in poor condition; 70·4 per cent were considered to be in fair condition, and 6·1 per cent in good condition. The report states that at least fifty per cent of the houses in poor condition need to be replaced by more adequate and suitably constructed dwellings, while the remaining fifty per cent need the expenditure of at least one-half of the replacement cost to put them in fair condition. The farm homes in fair repair need from ten to twenty per cent of their present value spent in the way of repairs to put them in satisfactory condition.

Facilities such as furnaces, electricity, flush toilets, bathtubs and so on, are to be found in less than one in ten of these homes. It costs a minimum of $425 to equip a home with sanitary facilities. The freight charges on the lumber, cement, iron and steel products and everything else necessary to build and repair a home constitute part of the cost. When freight rates are high, the cost of those materials is consequently high. Any upward revision in freight rates will seriously affect the cost of home building.

I have here the rates on lumber from Saint John, New Brunswick, to Chatham, Ontario, and from Vancouver, British Columbia, to Herbert, Saskatchewan. In each instance the distance is 985 miles. The freight rate in eastern Canada is thirty-seven cents per 100

pounds and, in western Canada, fifty-four cents per 100 pounds. I quote these figures merely to show the difference in freight rates and to emphasize the fact that western Canada freight rates are today high and that any increase in freight rates will add to an already heavy burden.

Let me cite a few instances. The freight on cement from Fort Whyte, Manitoba, to Regina is twenty-seven cents per 100 pounds. An increase in freight rates of thirty per cent would mean an additional charge of seven cents for an 87½ pound bag of cement. It would also mean that the price of canned goods would be increased by one cent per can. The cost of furniture would increase too. The freight charges on a studio lounge weighing 150 pounds from Montreal to Saskatoon amount to $2.97. An increase of thirty per cent would add eighty-nine cents to the cost of that lounge. The people of the western provinces as consumers have to import all the manufactured goods they use, so that any increase in freight rates would add to the cost of the articles they buy.

We must remember that the people of Saskatchewan in particular are producers of primary products and the cost of exporting these products out of the province to markets such as Toronto and Montreal is indeed high. The cost of sending a 1,200 pound steer from Maple Creek to Toronto, with a freight rate of $1.12½ per 100 pounds amounts to $13.50, and thirty per cent of that amounts to $4.05. An increase in freight rates of thirty per cent would mean a decreased revenue to the farmer of approximately $4 on that steer. One might argue that when cattle prices are high, as they are relatively today, $4 does not amount to much, but if cattle again go down to a price of two or three cents a pound, that freight burden would indeed be enormous.

On all the cattle marketed in Saskatchewan in 1944, namely, 378,859 head—these figures are taken from the Canada Year Book—if it is assumed that the average weight was 1,000 pounds and that the cattle were shipped from Moose Jaw, the freight would amount to over $4,356,000, and a thirty per cent increase in that amount would mean a loss in revenue to the farmers of Saskatchewan of $1,300,000.

I have some figures here to show the butter production in Saskatchewan. Sometimes we lose sight of the fact that Saskatchewan has a substantial dairy industry. If one forgets about the dairy production of Ontario and Quebec, 33.6 per cent of our butter production in Canada comes from Saskatchewan.

Mr. MacNICOL: That is outside of Ontario and Quebec?

Mr. ARGUE: Yes. I think all members realize that butter production is an important thing in Canada today and anything that will tend to decrease the supply of butter is certainly something that cannot be pardoned by this house. If we want to get away from the rationing of butter and to get into the position where we shall not have to take butter from New Zealand, which forces the people of Great Britain to go without some of the very small amount of butter they are receiving at the present time, nothing should be done to decrease our butter production. The average freight on butter leaving the province of Saskatchewan is 2·61 cents per pound, according to the Saskatchewan Dairy Association. The freight cost on the bulk items required in the processing and marketing of creamery butter is ·15 cents per pound, and the average freight on the incoming product to the creamery is 1·5 cents per pound. So that here we have a total charge of 4·26 cents per pound on butter produced in Saskatchewan. An increase of thirty per cent in the freight and express rates would add 1·28 cents to the cost of a pound of butter. The Saskatchewan Dairy Association contend that a thirty per cent upward revision in freight rates would mean the loss of at least three-quarters of a cent a pound and perhaps more to the Saskatchewan butter producers. Certainly, if that happens, Saskatchewan producers of cream are going to leave the production of dairy products and return to straight wheat farming and thus there will be less diversification than there now is. I think diversification where possible is a good thing, and certainly we should not support anything that would tend to make the farmers of western Canada leave the production of butter and dairy and meat products and go back into the highly hazardous business of straight grain farming.

It is estimated that a thirty per cent increase in freight rates would mean a reduced income to the producers of poultry of at least three-quarters of a cent a pound and a decreased income from eggs of three-quarters of a cent a dozen. All these figures, based on statements of the Saskatchewan Dairy Association, show that any increase in freight costs would mean a serious reduction in farm prices and, therefore, a serious reduction in the living standards of our farm people. And so the people of western Canada, and of Saskatchewan in particular, feel that they have a real stake in freight rates in this country. They know that any freight charge, whether it be high or low, is added to the price of goods that they must buy and deducted from the price of the goods

they have to sell. It is estimated—I have seen this in the press—that a thirty per cent increase in freight rates might amount to a sum of $85,000,000. Surely that is a large sum of money, and the burden of supplying that money will bear most heavily on the people of western Canada, and will mean a considerable reduction in their standards of living.

I have here some figures on the financial position of the Canadian Pacific Railway Company. Its reserve in 1937 was $91,000,000. In 1946 the reserve had increased to $350,000,000, or an increase of some $259,000,000 in that period of time. The funded debt of the C.P.R. in 1939 was $228 million; in 1946 that debt had been decreased to $83 million. Moreover, the average rate of funded debt paid by the C.P.R. in 1939 amounted to 4·1 per cent, whereas the average rate on their funded debt still held in 1945 was only 2·84 per cent. It is estimated that this decrease in the C.P.R. funded debt and the decrease in the carrying charge will amount to an annual saving to the C.P.R. of $7,018,000.

Surely these figures do not in any way suggest that the C.P.R. is in financial straits. Certainly it is not a poor company that needs greater consideration from the people of this country.

The C.P.R. too, I notice, is asking for additions and betterments to railway property amounting to $15,235,000; asking for $15 million out of the freight rates of this country to provide for additions and betterments. Surely additions and betterments are capital extensions and capital investments, and the Canadian Pacific Railway Company should not wish to ask the people of Canada to provide money for this purpose through freight charges, whether increased or otherwise.

Mr. Walker referred—

Mr. CHEVRIER: Mr. Speaker, I do not wish to interrupt the hon. gentleman. He has been speaking about freight rates for some time, but the moment he starts to discuss evidence before the hearing I think he is entirely out of order.

Mr. ARGUE: I will accept the correction.

Mr. DEPUTY SPEAKER: When the hon. member commenced his speech I referred to the fact that discussion in this house of the application for an increase in freight rates was out of order. I read a lengthy memorandum which Mr. Speaker had prepared, and I believe all hon. members agreed that it was not in order to discuss at the present time an increase in freight rates. It was however, I took it, the consensus of all hon. members that the hon. member for Wood Mountain might make a brief statement because other hon. members had done so. I do not think it was the feeling of the house that an extended argument on freight rates should be allowed at this time.

Mr. KNOWLES: On a point of order, Mr. Speaker, may I ask you to consider the portion of the memorandum which you read in which reference was made to the freedom of the press. It was pointed out that that freedom was not denied by the understanding that the press cannot discuss matters that are *sub judice*. I would call your attention to the fact that the press is discussing this matter quite freely, which would seem to suggest that it is not *sub judice*, and I would press the view that members of parliament should have as much freedom to discuss these matters here as is accorded the press.

Mr. CHEVRIER: Mr. Speaker, I am sorry I was not here when you read the ruling, and I knew nothing about it until my colleague the Minister of National Revenue (Mr. McCann) drew it to my attention. I do not think it was the intention of the ruling that there should be no discussion at all on generalities, so far as the application was concerned. But the moment there is discussion concerning the evidence before the board, which is a court of record, then that is tantamount to discussing a case which is before a court, and I am sure the hon. member for Wood Mountain had no such intention. Last night one hon. member referred to a rate in general and went on to say that it had been reduced. I do not think there can be objection to that particular discussion; but when there is reference to the evidence which is before a court, on a hearing upon which there has been no decision, surely that is clearly out of order.

Mr. KNOWLES: I would point out equally that there has been no definite ruling on the matter. A memorandum has been read and a suggestion made.

Mr. SMITH (Calgary West): The minister says it is a court of record. I assume that must be a provision of the Railway Act. I do not remember it.

Mr. CHEVRIER: Yes.

Mr. DEPUTY SPEAKER: It is a provision of the Railway Act. I think I have allowed the hon. gentleman wide latitude and I suggest to him that he refrain from any further discussion of the application for an increase.

Mr. ARGUE: Thank you, Mr. Speaker. I do not wish to discuss the application, but there are two or three points to which I wish

to refer. I do not think any exception can be taken to them. I wish to read from the war labour board's order of October 16, 1946, which states in part:

> During the years 1939 to 1945 inclusive the total assets of the Canadian Pacific increased considerably, as have reserve and profit and loss balances. The liquid position of the company has been maintained and indeed improved. Funded indebtedness is down substantially thereby and to a commensurate extent freeing the company from certain recurring fixed charges.

I think the question of fair freight rates can be argued on the basis of advocating for western Canada rates that are similar to rates in eastern Canada. Moreover, one would not consider it fair for a railway company to make a relatively large profit in one section of Canada and a relatively small profit in another. For instance, in the years 1936 to 1946 the Canadian Pacific Railway Company on its western lines made a profit of $248,150,000 and in the same period, on its eastern lines, $126,700,000. Those profits are indeed large, and the significant fact in them is that the profit made in western Canada was almost twice as much as that made in eastern Canada and follows a pattern that is shown in the profits of the Canadian Pacific Railway Company in past years.

Mr. McCANN: Income or profits? In what year did they ever make $248 million profit?

Mr. ARGUE: From 1936 to 1946, a period of years.

Mr. McCANN: Oh, ten years?

Mr. ARGUE: Yes. I think it would be well for the house to bear in mind that Dominion cash subsidies to the C.P.R. over the years have amounted to a total of $89,671,000 and that federal land grants have been made, totalling 32,902,000 acres. The people of this country have a real stake in the C.P.R., because the people, through the federal government, have provided large subsidies and large land grants, and certainly because of that they should have the right to see that the C.P.R. provides adequate service at reasonable cost to all parts of the nation.

As reported in yesterday's *Hansard,* the Minister of Finance (Mr. Abbott) announced that certain increases were to be made in the depletion allowances for gold mines in this country. I should like to point out that such an increase in depletion allowances means an increased value of the capital stock, and the amount of that increase is not subject to income tax as would have been the case, for instance, if a subsidy were paid to the company and, as a result of that, profits were increased. I should just like to suggest to the government that at some time it consider the feasibility of a capital gains tax.

Getting back now to the whole question of the standard of living of the people of western Canada, I believe it should be pointed out,—and it cannot be pointed out too strongly—that the people of western Canada, the wheat growers in particular, will until 1950 receive a price for wheat of $1.35, which is a frozen price. I would say that it now rests on this government to see that the farmer is not faced with increased costs which would reduce his income and his standard of living. I should hope that the government, after the report of the board of transport commissioners is made to it, will consider all these facts.

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, it has been my considered opinion that in this debate it is the duty of members who may feel so disposed, to bring to the attention of the government matters of particular concern to their constituents. I wish to detain the house with only a few remarks, and to a large degree they will be of a general character; but at the end of them I wish to sum up specifically.

In my constituency at the present time the rural telephone lines are working overtime. I recently sat in on some of the discussions, and to say that the people are concerned would be putting it mildly.

There has been a considerable surplus of domestic vegetables in southern Ontario and in my area particularly. I refer to such commodities as carrots, beets, cabbage and the like; there is a large list of commodities which might be referred to. An urgent demand is being made that the federal government should do more than they are doing to protect the home market for fruits and vegetables. I will not enlarge on the caustic criticism that is sometimes heard; but, summing it up, I will say that the feeling of the vast majority of producers in my community is as I have indicated. The producer groups have been very active during the past few weeks in particular, since it is the off-season; and I suggest most earnestly to the government that at every opportunity they sit in with these organizations which represent the various fruit and vegetable growers groups. I can assure the government that these men are sincere. They do not approach the matter from any political angle. They desire to turn out the best possible produce at the lowest possible price.

I have discovered one other thing, namely, that there is a general consensus that the system of import and export permits meets

with general approval, subject, of course, to certain safeguards which always need to be exercised.

Passing on from that, I find that considerable alarm is manifest among a great many of the groups of fruit and vegetable growers with respect to the rapid increase in imports, ranging from five per cent on cabbage to as high as 175 per cent on cauliflower. There are one or two commodities with regard to which the figure has gone so high that it is far out of bounds. I am not going to detain the house by putting on *Hansard* tables showing the trend of these imports. I would, however, direct the attention of the house to reports that have been issued recently by the Ontario Fruit Growers' Association and the Ontario Vegetable Growers' Association, setting forth clearly how the domestic markets are being invaded. In order to save time, Mr. Speaker, I would ask the permission of the house to have this one table inserted in *Hansard*. It would save my reading it, and the members could then see for themselves the effect that this importation is having.

Mr. DEPUTY SPEAKER: Has the hon. member the unanimous consent of the house to put the statement on record?

Some hon. MEMBERS: Agreed.

Mr. LOCKHART: Thank you very much. The table follows:

Comparison—Imports Fresh Fruits and Vegetables
Ten Months Ended October 1945-1946

Product		Ten Months Ended October, 1945		Ten Months Ended October, 1946	
		Quantity	Volume	Quantity	Volume
Fresh apples	lb.	1,202,445	$ 53,365	10,677,067	$ 398,848
Apricots, quince	lb.	2,801,111	277,564	5,643,560	460,955
Bananas	stem	3,555,005	11,135,426	4,645,004	17,443,866
Cherries	lb.	1,309,109	317,347	914,210	237,157
Cranberries	lb.	614,142	117,591	906,811	203,399
Grape fruit	lb.	85,834,826	3,876,751	120,281,983	4,354,736
Grapes	lb.	36,836,630	2,712,211	34,463,312	3,624,138
Lemons	box	477,338	2,736,882	456,885	2,502,284
Limes	box	6,851	26,295	12,647	33,598
Muskmelons, canteloupes	lb.	13,216,510	680,373	15,689,414	794,911
Melons, n.o.p.	No.	1,436,459	735,473	1,539,929	827,503
Oranges, mandarines	cu. ft.	9,724,513	22,384,238	9,640,388	22,678,586
Peaches	lb.	23,331,056	1,464,096	22,089,950	1,277,760
Pears	lb.	27,021,778	1,691,097	17,674,721	1,388,269
Pineapples	crate	81,749	602,789	252,259	1,346,029
Plums or prunes	lb.	17,163,442	1,419,984	14,012,221	1,449,263
Raspberries, Berries, n.o.p.	lb.	13,359	1,979	30,859	5,793
Strawberries	lb.	872,864	221,320	1,321,409	334,561
Fruits, n.o.p.			19,173		39,011
			$50,473,954		$59,400,717
Increase—10 months ended October 1946—$8,326,424					
Asparagus	lb.	807,049	101,997	1,501,443	194,145
Beans, green	lb.	4,139,228	431,413	4,330,278	455,971
Beets	lb.	3,968,878	131,581	6,232,026	161,098
Cabbage	lb.	40,989,586	928,593	43,111,535	1,158,973
Carrots	lb.	41,987,379	1,256,766	52,425,377	1,569,801
Cauliflower	lb.	3,339,989	147,903	9,199,846	371,063
Celery	lb.	29,770,637	2,082,290	40,411,663	1,991,581
Cukes	lb.	2,370,307	180,057	5,073,760	332,073
Lettuce	lb.	47,000,565	2,077,517	53,627,264	2,095,878
Onions	lb.	2,192,952	115,709	27,137,391	842,677
Peas, green	lb.	1,304,746	112,397	2,874,922	222,862
Potatoes, sweet	cwt.	66,172	366,799	72,477	442,689
Potatoes, not seed	cwt.	476,390	1,336,488	3,254,365	6,826,933
Spinach	lb.	4,454,376	244,712	6,088,995	315,490
Tomatoes	lb.	72,382,118	5,335,626	77,958,039	5,934,133
Vegetables, n.o.p.	lb.	4,896,664	464,307	10,123,850	725,212
			$15,314,155		$23,640,579

Increase—10 months ended October 1946—$8,926,763

Total 10 months ended October 1946 selected fruits and vegetables $83,041,296

Total 12 months, 1945 selected fruits and vegetables 82,589,192

In the first ten months of 1946 imports exceeded those for all of 1945 by $452,104.

[Mr. Lockhart.]

During the past year, Canadian processors packed about 4,300,000 cases of tomato juice. I do not know whether many members of the house know this, but recently one million cases of unsweetened grapefruit juice were imported and dumped on the Canadian market, and the price went down as low as 62½ cents a dozen. In all sincerity I ask what chance have the processors and producers of building up a profitable industry when they are faced with such importations? I say that these are matters to which the government should be ever alert. I noticed in one press report that, out of the forty-six Florida firms which are processing fruit juice and the like, only about twenty are in a solvent position. That is only an indication that this kind of dumping on the Canadian market should not be permitted. Surely our growers and processors should not be subjected to this kind of unfair competition.

I think it is generally conceded by most of the groups that, when fruit and vegetables which are produced by the Canadian grower are not available in the Canadian market, it is only fair to the consumers that they be allowed to have these commodities if they desire to pay the price which is asked for them. There does not seem to be any particular disagreement with that, as long as it is understood that, as soon as our domestic products become available, the market is protected. There is a growing demand for more rigid inspection; in fact I believe it is almost the unanimous view that proper inspection will largely overcome all the difficulties in connection with our marketing problem. I urge the government to make sure that every possible avenue is sought to safeguard the markets for our domestic producers and processors. I bring that point to the attention of the house at this time because I believe that when hon. members take time to read the table they will agree that a serious situation is developing.

What I have said in favour of adequate marketing controls through import and export permits seems to me one way whereby private enterprise can survive. I turn now, however, to a type of control that is proving to be a hardship. This has to do with housing; and I wish to emphasize the need for housing, more particularly for the veterans. The situation in this respect is not improving, and I believe the rather confused statement made by the minister this afternoon will only bear out what I am saying. Notwithstanding all the boasts that have been made as to the extent of the housing programmes that have been gotten under way, today we find the minister rising in his place and making definite apologies for what has been done.

I want to recite a little of the history of the developments in our city. There we have 102 units being erected by Housing Enterprises Limited, which of course is a crown company. Others in smaller numbers have been erected by Wartime Housing Limited. The 102 units I mentioned are for rental only, and are of three designs. The smallest, having just four rooms, rents at $42 a month. I did not have a chance to measure the next sized house, but I was told that it is two feet longer, and rents for $46 a month. These are both one-storey structures. Then, by increasing the pitch of the rafters and getting what they call two more rooms upstairs, reached by a straight stairway, they produced what they call a six-room unit, which rents for $55 a month. Perhaps the capital cost might warrant those rentals; I do not know. In any event I made an inspection of these homes last Saturday afternoon. One of the tenants told me that, before any application is received or accepted, the guaranteed income of the applicant is reviewed. This man also went so far as to say that he had to pay the sum of $10 to have himself investigated. I do not know whether or not that is true, but that was the statement he made, and he is a responsible young man. Sometimes it is a little difficult to get information in this house, but perhaps at an appropriate time the minister will make a statement and let the house know exactly what the cost of these homes was, and give other full information. I should like him to give us full and complete details, also, as to the conditions under which these homes are made available to veterans, and to what extent they are assisted. I was told at the same time—and the minister might bear this in mind when he makes his statement—that, unless a man has a fixed income, his application to rent one of these homes is not even considered. I was told by one of the tenants that a man working on an hourly basis and earning ninety-eight cents an hour or thereabouts, in a trade where there are occasional fluctuations in wages, could not obtain consideration in connection with the renting of one of these homes. I do not want to put a lot of questions on the order paper to clutter up the record, but I am sure that a clear-cut statement by the minister, dealing with all these points and all their implications, would be acceptable to hon. members.

I now turn to the type of housing being erected by Wartime Housing Limited in my area. These houses are being sold to veterans. I listened with interest today when the minister was trying to cover up the defects, and I am going to give him a little more informa-

tion. I am one of those who thought it was bad enough to have a royal commission investigate, but when this committee mentioned by the minister is checking up I want it to look carefully over what we call the Louth street development on the outskirts of the city of St. Catharines, because I should like this house to be given a full and detailed report of the findings of that committee. I made three inspections there last Saturday afternoon. The first home was a small building, fairly well constructed, which had been sold for about $5,000. The occupant thought the amount was $5,100, and then corrected himself and said he thought it was $5,000. The next was of poorer construction, and it had been sold for just under $6,000. The third house I inspected was terrible, and when I say "terrible" I mean just that. Having spent twenty-five or thirty years in the builders' supply business, I believe I know what terrible construction is. When I got into this last house I could not leave it, I was so shocked. It was a four-room house, on which the veteran who owns it told me he had paid the sum of $5,960, as he recalled.

In a vague sort of way this afternoon the minister tried to say that the price quoted for these houses included everything. I tried to get the meaning of what the minister gave us in connection with the prices he placed on record. But this veteran tells me that because of his having purchased one of these homes at, I believe, $5,960, he surrendered certain other benefits which would have accrued to him.

I believe that there is a conflict of opinion in this matter, and that it should be cleared up definitely in the house. The veteran about whom I have spoken last had a four-room house for which he paid the amount I have mentioned. There were no sidewalks, and on the land only rough grading has been done. I wish the committee could check what I have said and get the opinions of neighbours as to the type of places on which these poor, unfortunate veterans have been planted in that area, and in that particular development.

The front door of the house I have mentioned is an inch out of plumb at both the bottom and the top. There is no storm door, and the wind howls and whistles through the front door. Believe me, the wind was whistling the day I was there. Mark you, this is only a four-room house, but there were plaster cracks between two of the rooms into which I could lay my hand. I should very much like the committee to see those things themselves.

[Mr. Lockhart.]

The shingles on one side of the house were completely blown up on end. I asked the veteran what he was doing about it, and he said, that he had climbed up on the roof and had nailed many of them down, and that he was going to surface-nail them. Well, if there is anyone in the house who knows anything about construction he must know what is bound to happen from surface-nailing asphalt shingles. A year from now that man will think a sprinkling can is being held over his head. The nails loosen in the asphalt base of the shingles, with the result that there is a constant drip, drip, drip. That is what this veteran is up against.

So I say, here is a good chance for the government to take action. I will give them much more information if they will undertake to go into that district and look things over. This veteran paid about $600 down; I believe he said the exact amount was $596 he thought. He asked for my candid opinion as to whether he ought to throw up the whole deal. It was at that time he mentioned that he had made certain financial sacrifices in order to obtain the contract at $5,960. He paid his deposit, and he had his four-roomed house. As the minister said today, probably it was necessary to take the action he did if he was to have a roof over his head.

I am glad to see the minister has returned to the chamber, because I do not hold him entirely responsible. Much of this was begun long before he had a hand in it.

Mr. JOHNSTON: And a lot of it after, too.

Mr. LOCKHART: And, as the hon. member says, there was a lot of it after too. I hope the minister will read what I have put on record today, and have the committee go to the area in question and consider carefully the situation, particularly with respect to this one development.

Then, this poor fellow paid down his ten per cent. He is wondering whether he should surrender his contract; that is, if he can do it, or is not held in some way. His wife has taken work trying to earn a little bit of money. She has taken a part-time job, to see if they cannot see it through.

What kind of security is that, for the man who has gone into the very jaws of death, in your interests and mine, and who comes back to receive all the lip-service given him, and then is given this kind of deal?

During the last two or three years, construction materials, or a large percentage of them, have been channeled into this type of construction. Today I asked the minister about inspection. I have never seen such wilful waste of

materials. The materials on any of these jobs were good. I heard the minister say something about defective lime. That might have happened in an isolated instance, but in the main the materials in these houses were good. I say that an inspector, or someone else, should be held responsible for the type of thing that was permitted. If something is not done the veteran will never have confidence that he is getting a square deal.

I would now point out another type of veteran who has been deprived of doing the thing he would have liked to do. There are large numbers in this group in my area, and what I say will no doubt be applicable in other parts of Canada. I am not exaggerating when I say that in my own area there have been hundreds who have purchased small parcels of land, whether within the city limits on improved streets, having local improvements, or just outside the city limits on selected land which they have purchased and for which they have laid out their cash.

Hundreds of those young men are recently back from overseas. But today they cannot get materials. Perhaps the minister will say that certain priorities have been granted to veterans, but the priorities on government housing schemes took precedence over everything. And because there were limited supplies of materials those veterans could not obtain any materials to build their own small homes in their own way. Mark you, Mr. Speaker, they did not want assistance from anybody. They owned their lots, and had a little money. Perhaps they had friends or relatives who were willing to grub-stake them for the additional amounts they required. All they wanted were materials.

I say hundreds of homes would be produced by those veterans if steps were taken to direct materials into the proper channels. Someone may ask what I would do, or what I would suggest should be done under these circumstances. I shall make one suggestion. We have an army of men of various types running around the country doing a useless job, and it is about time they were put on the production end. I have reference to employees of the wartime prices and trade board. I say in all sincerity it is about time they were put on a production basis—and I do not care whether it is with a pick and shovel, or in what manner. They are travelling around the country today, and it is supposed they are looking for prosecutions. Mr. Speaker, most of their work is persecution—and I say that sincerely. If those men were put in the production lines from the bush down so that they could get out some building materials they would be doing something worthwhile.

Let me give an illustration of what I discovered last week-end in connection with this great army we have. Incidentally I know the personnel of the wartime prices and trade board in about ten different offices in my part of the country. I made the statement in this house about three or four years ago that fifty per cent of these officials were derelicts. I still say that they are derelicts and I base that statement upon the type of men we find doing this work. A shoe man will be running around looking after hog inspection, and we find an insurance man or the like inspecting the building industry. That is the type of thing that is going on.

Let me give an example. Five young men took over a small packing plant in my district a year or two ago. Two of them were overseas veterans with some four years of service and they pooled their resources to purchase this small packing plant which was in operation. The former owner told me that he was fed up with the regulations and red tape he had had to put up with and was glad to get away from it. He told me he hoped the strength and numbers of these five young men would result in better success than he had had.

It took them quite a long time to have their quota set, which was the same as that of the original owner. I think they could kill only thirty-nine hogs a week, but finally they got that quota. Then, with all the restrictions and red tape, only just a week or two ago one of these brilliant inspectors came to this place of business and there was a heated discussion about some irregularities. I do not know the exact conversation, but I am told that one of these men, who now travel in twos and fours rather than singly, I suppose because they are getting short of work, said to one of these five brothers who are trying to earn an honest living, "One of the reasons why we have to come in here in this manner is that in the last six months of 1946, 50,000 hogs found their way into the black market in the six counties around the Niagara peninsula." That was the statement made by one of those inspectors. If that is true, what a reflection upon the ability of the men who are supposed to be doing a job in the Niagara peninsula! I repeat that they are derelicts.

I go one step farther. On another occasion they came into the same place of business persecuting and trying to make things as

unpleasant as possible. There were more than one although I think one man could have done the job. One of these men said, and I have it in writing, "Remember we are working for the largest employer in the world, so don't try to buck us." If the small businessmen of this country have to put up with this kind of thing it is time that somebody took a sawed-off shotgun and started to work.

If we stop to consider when the war ended—this is utter nonsense. Why should we have to put up with this kind of thing. Small business is being pushed to the wall as fast as possible. For goodness sake, let us get back to normal. Let the law of supply and demand hold sway. My prediction is that the shrewd housewife will regulate her purchases so that the pendulum will soon swing back to normal.

I should like to say a further word in connection with a group of veterans to whom reference was made in this house the other day. The minister made the statement that some relief was being given in connection with rental controls and I asked about the veteran who could not get possession of his house. I was told that it did not matter what class of tenant was in the house, he could not get it. The minister said that if the house had been bought between November, 1944 and July, 1945, the owner could not get possession. He then went on to say that the owner could go before the rental appeal court and endeavour to show that his need was greater than that of the tenant. I think anyone who knows anything about these rental appeal courts will agree with me when I say that I do not know where any great change has been made in a decision of a rentals officer by the rental control judge reviewing the case. If there are any cases, I should like to know of them. I do not know of any and I know that many cases have been reviewed. The owner will have to prepare a case; he will have to hire a lawyer and produce all kinds of evidence to show that he has more need than the person living in the house. There have been some caustic things said about that type of suggested regulation.

The minister says that there is no hope for the man who bought a house during that period. I know of many cases where the wife of a man has worked on victory shifts and saved two or three hundred dollars. Then the husband has sent home more; the father has helped and the mother has helped. A down payment was made on a little home perhaps in 1942, 1943 or 1944. The young man may have been fighting overseas for his life. Perhaps he went through Dunkirk, over Normandy or through the long grind in Sicily and Italy. He was not worrying about a house.

Then he came back home to his family who were thinking ahead of time in trying to have a place to which they could go. These homes were bought by the dozen. These men came back from an experience such as only those who went through it know about. They were discharged a year or a year and a half ago as the case may be and now they find that they cannot get possession of their little homes.

If the government does not see the need of extending these regulations to take in these young men, then I say it is doing a gross injustice to one type of veteran in this country. I urge the government to consider extending the regulations, so that these men may get their homes which were bought perhaps two or three years ago.

Finally, I again urge the government to abandon this present chaotic system of controls, and to devote their entire energies to producing food. Let them encourage the fruit and vegetable men by giving them all assistance possible to produce food for the starving world that we hear so much about. Let them take out of inactivity every available man—and the wartime prices and trade board is the most glaring example—and put them into active production. That is one of the most urgent needs at this time. Let us build up a national income so that the devastating effects of high taxation can be overcome. This, Mr. Speaker, I submit, is one solution of our problem of high taxation.

Mr. F. W. TOWNLEY-SMITH (North Battleford): Mr. Speaker, may I be allowed once more to draw attention to the fact that it is only with extreme difficulty that a great number of members of this house are able to hear what is going on. Architecturally and artistically this is a beautiful building, but I fear that acoustically we are not so fortunate. In spite of all that has been said to the contrary, I repeat that a great many members are not able to hear one-half of what is being said and a still greater number are unable to hear with ease what is said. Very few of us are able to sit back and relax and listen with pleasure, and I do not mean that in the way that some hon. members are taking it. I again ask that something be done about the matter.

On motion of Mr. Townley-Smith the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 5.55 p.m.

Thursday, March 6, 1947

The house met at three o'clock.

INDIAN AFFAIRS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. D. F. BROWN (Essex West) presented the first report of the joint committee of the Senate and the House of Commons to continue and complete consideration and examination of the Indian Act, and moved that the report be concurred in.

Motion agreed to.

PRICE CONTROL

MILK, BUTTER AND SUGAR—REFERENCE TO PRESS REPORT AS TO PROBABLE PRICE INCREASES

On the orders of the day.

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Finance. In view of the report in today's Montreal *Gazette* that retail prices of milk, butter and sugar are soon to go up, will he assure the house that no such increases will be allowed until the subject of price control has been discussed in the house?

Hon. DOUGLAS ABBOTT (Minister of Finance): I did not catch the last part of my hon. friend's remark, but I saw the statement in the *Gazette*. It is the usual newspaper comment, and I have no comment to offer with regard to what has been said there.

Mr. COLDWELL: The last part of the question asked by the hon. member for Winnipeg North Centre was: Will the minister assure the house that these price increases will not go into effect pending discussion of price control in the house?

Mr. ABBOTT: No; I cannot give any such assurance. I am not of course suggesting that the price increases will go into effect. I answered my hon. friend the other day and said that the matter of price increases was one of government policy which would be announced at the appropriate time. But I can give no assurance that no price increases will go into effect until the general policy has been discussed.

Mr. KNOWLES: It is a matter which is of great concern to the people of Canada.

NAILS

REFERENCE TO STATEMENT BY MINISTER ON MARCH 4

On the orders of the day:

Mr. HAROLD W. TIMMINS (Parkdale): Having regard to the statement which the Minister of Reconstruction and Supply made on March 4 to the effect that he "had not heard of a shortage of nails in any part of Canada during the past two months", is the minister not aware that in the Toronto area the shortage is so acute that the builders cannot complete the houses started in 1946, and will he make a statement in regard to the matter?

Mr. GRAYDON: Is the minister not going to answer?

Mr. CHEVRIER: The question is clearly out of order.

Mr. SPEAKER: This is a lengthy question, and I would ask the hon. member to put it on the order paper.

Mr. GRAYDON: I submit that it is a very urgent matter.

PRIVILEGE

MR. ROSS (SOURIS)—VETERANS' HOUSES—COST PLUS CONTRACTS

On the orders of the day:

Mr. J. A. ROSS (Souris): On a question of privilege, Mr. Speaker, yesterday afternoon at page 1040 of *Hansard* the Minister of Veterans Affairs (Mr. Mackenzie) said:

> . . . I shall say a word or two at once in reply to the statement just made by the hon. member for Souris (Mr. Ross) . . .
>
> Last evening my hon. friend referred to a cost plus contract, to which I shall refer in a moment. These, however, were not cost plus contracts . . .

According to the minutes of the proceedings of evidence before the special committee on veterans affairs on June 3, 1946, in reply to a question I asked, Mr. Murchison, director of Veterans' Land Act, stated that the great majority of these houses were built on a cost plus basis; that some 2,551 housing units, out of the lot, were on a cost plus basis in seven provinces of the dominion. If I may be permitted to do so I should like to refer to that evidence, to establish my point:

> By Mr. Ross:
>
> Q. Are all the veterans' homes under the Veterans' Land Act constructed on a cost plus basis?
>
> A. No; I mentioned in the statement which I made this morning that a number of these houses were let on a firm price basis, one at Calgary, one at Lethbridge, and one at Moncton, and also a few in Ontario, about two hundred, which were let on a firm price basis. The rest were all cost plus basis.

Some hon. MEMBERS: Order.

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): If I may reply quietly to this question of privilege, Mr. Speaker, I

should say my statement was absolutely correct, and that the contractor's fee was about $210 per house.

MR. POULIOT—REFERENCE IN "LA PRESSE" TO RULING BY MR. SPEAKER

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): I rise to a question of privilege, Mr. Speaker, to vindicate Your Honour. My contention is that no journalist may impute motives to Your Honour or mention in the press motives which Your Honour has not expressed in your rulings. So far as I am concerned the rulings of the Chair are complete in themselves, and no press reporter has the right to impute motives to the Chair. Since the beginning of last month I have been waiting for a correction of a report which appeared in *La Presse* of Montreal of February 1, in connection with the tributes which were paid the day before to the late lamented Mr. Cardin. I have checked up what was said by Your Honour, which appears at page 21 of *Hansard*, and I do not find anything of the kind reported by the correspondent of *La Presse* and appearing at page 25 of the issue of that newspaper of February 1. This is what it said:

L'Orateur avait interrompu M. Pouliot parce que celui-ci avait émaillé son discours de citations de M. Cardin, choisies parmi les occasions où l'ancien ministre libéral s'était trouvé en désaccord avec le gouvernement.

Since my English speaking friends are kind enough to listen to me and no doubt are anxious to know how the remarks of Mr. Speaker were reported, I shall translate what I just said:

Mr. Speaker interrupted Mr. Pouliot because in his speech the latter mentioned quotations from Mr. Cardin chosen from the speeches in which the former Liberal minister was in disagreement with the government.

I contend, sir, you never said anything of the kind. I believe it was unfair for this newspaper to give these remarks as having been made by you, and I hope the proper means will be taken to have that newspaper report corrected as soon as possible.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, March 5, consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Coldwell.

[Mr. Mackenzie.]

Mr. F. W. TOWNLEY-SMITH (North Battleford): On two previous occasions, Mr. Speaker, I have drawn attention to the fact that in my constituency of North Battleford we have two branch lines of the Canadian National railways that are incomplete. In each case the ends have been built but the centre portion has not been completed. In the line from Frenchman's Butte in northern Saskatchewan to Heinsburg, in northeastern Alberta, there is a gap of roughly forty miles. In the line from St. Walburg to Beaver River, some 135 miles still remain to be constructed. Many years ago people were encouraged to settle in these districts, which are heavily wooded, with the definite promise that a railway would be built to take care of their needs. They have been let down very badly and are now suffering unnecessary hardship because of the failure of some people to keep their word. Both Liberal and Conservative parties promised these branch lines. It is always bad business to break a promise.

The difficulties experienced by those unfortunate people who were persuaded to spend the best part of their lives in these two districts have been recounted on several occasions by the hon. member for The Battlefords (Mr. Campbell), the hon. member for Athabaska (Mr. Dechene) and myself. There are no good roads, and when winter comes the obstacles these settlers encounter become almost insurmountable. There is no encouragement for them to increase production either of grains or of live stock, as the long haulage, running anywhere from twenty to one hundred miles, is prohibitive. Schools and social services were practically nonexistent until the new government took over in Saskatchewan, when schools and teachers were provided under great difficulties. The lack of railway facilities makes the situation very bad; the whole area which should be serviced by these lines is really an economic loss. If sickness assails them they can get no help. The emergency hospital planes which have been inaugurated by the government of Saskatchewan have proved very helpful, but even so the situation is still bad and the mortality rate is high.

May I say here how thoroughly I agree with the hon. member for Lanark (Mr. Blair), who dwelt upon the lack of consideration being shown the unfortunate people suffering from tuberculosis, cancer, arthritis and the like. I should like to say, however, that in my province of Saskatchewan free treatment has been provided for those suffering from cancer. Cancer clinics, hospitalization and all treatments known to medical science are provided, and at least we have awakened to the great need for research and free treatment.

I would not feel inclined to encourage any further immigration into that part of my constituency until the railways are completed. In my opinion there is no need for giving occasion to the distress the newcomers would be called upon to undergo, and it would be both unkind and unfair to ask them to consider making their homes in these districts.

For the third time I appeal to the government to take steps to have these lines completed.

Arrangements which have been made with Great Britain for the disposal of the major part of our wheat crop appear to be in the main, satisfactory. Most of my constituents agree that the handling of the wheat by the Canadian wheat board is the proper way to do it.

In this northern country, however, large quantities of coarse grains are grown. It is felt that if the system of handling wheat by the wheat board is sound and satisfactory, then coarse grains, particularly oats, barley and rye, should be handled in like manner. The wheat board has certain authority over these grains, fixing quotas, arranging ceiling prices and the like; and it is felt—and I quite agree with the idea—that the one board should be completely responsible for all grain in exactly the same way as it has complete authority over the nation's wheat.

May I suggest that serious consideration be given to this request. It is already within the power of the governor in council to order that this be done, and I can assure the government that steps in this direction would be highly appreciated by the majority of the growers. I have heard it argued that while our wheat is mainly exportable, and can properly be handled by the wheat board, coarse grains trading is mostly interprovincial and cannot be handled by the wheat board because it comes under a different classification, and any definite attempt to have it handled compulsorily by the board might have the effect of upsetting the legislation and making it ultra vires.

If that argument is sound, then it is fair to say that if we were unfortunate enough to have two disastrous crop years, and no wheat were available for export, but just barely enough for the country's own needs, the wheat board act would become ultra vires and the Canadian wheat board would have to go out of existence. This, in passing.

I express the hope on behalf of my constituents that eventually the government will bring all grain completely under the control, regulation and sale of the Canadian wheat board. I am indeed happy to see this request made by the Canadian Federation of Agriculture, following the ideas and suggestions made by this organization fifteen years ago.

The matter of quotas for coarse grains, which is arranged by the wheat board from time to time, is causing some concern. As is generally known, the yield of oats is roughly twice that of wheat, and it would therefore be reasonable and logical for the delivery quota of oats to be twice that of wheat. This, however, was not done; and until nearly the end of the year only five bushels per acre could be delivered at country elevators. The natural result is that thousands upon thousands of bushels of oats are lying in heaps on the ground, without any protection, and now covered with several feet of snow—all this in spite of the fact that feed grains are badly needed, especially in eastern Canada. There is no possible chance of this grain being delivered to the elevators before spring, because all the country roads are blocked, and unfortunately there is a good chance of a great deal of it being spoiled and becoming a complete loss.

The same thing to a lesser degree is true with respect to barley. Farmers haul in wheat, the higher priced grain, first. And then, being short of storage accommodation on the farms, the cheaper grains have to lie in heaps with little or no protection. If the quota on these coarse grains could have been increased earlier —the Minister of Trade and Commerce (Mr. MacKinnon) told us a little over a week ago that the quotas were now open—I do not think the shortage of feed grains would have been nearly so serious. May I call this point to the attention of the Minister of Agriculture (Mr. Gardiner) who may see in it some connection with the shortage of hogs and the consequent difficulty with the British bacon contract.

Another point in connection with quotas and the storage of coarse grains was brought up within the last few days, while Bill No. 23 respecting the Canadian wheat board was being considered. Fear was expressed by some western members—indeed an amendment was offered because of this fear—of the possibility that there would not be enough room in the elevators before July 31, 1950 for just the wheat crop. What, then, is to become of the coarse grains crop, if this fear is realized? Where and how is it to be stored? And if prices are descending, is the grower to take the loss because the elevators cannot make room for him? I fear the decision of the agricultural conference recently held in Ottawa to increase the quantity of coarse grains, and the desire of the Minister of Agriculture to see more barley grown will meet with disappointment, unless some definite consideration is given both as to quotas and to prices.

Coarse grains must be carefully considered if the production of live stock—pork, beef, mutton and poultry—is to be maintained; and also if dairy products—milk, cream, butter, cheese and eggs—are of sufficient importance to enter into the national scheme of things.

Now for a few words on the prices of grains. The prices of oats and barley are quite out of line with wheat. If wheat is worth $1.55 per bushel, then oats should be worth 75 to 80 cents per bushel, instead of 51½ plus the 10-cent equalization bonus, making 61½ cents. Further evidence of the inequality of values in oats is demonstrated by the fact that five grades are selling for the same price. No. 2 C.W., No. 3 C.W., Extra No. 1 feed, No. 1 feed, and No. 2 feed, are selling at the ceiling price. The best oats, No. 2 C.W., are selling at the same price as a very poor sample, five grades lower, namely No. 2 feed. The reason is, of course, that the ceiling for the good oats is much too low. It should be around my earlier estimate of 75 cents, while the ceiling for the low grades of oats is somewhere near their value. I will not go into detail, but a similar situation exists with respect to barley. No. 3 C.W., a very good grade of barley, is selling at 64¾ cents plus a 15-cent equalization bonus, making 79¾ cents; while No. 3 feed is selling for the same price. Barley, incidentally, ought to be priced, to be in fair alignment with wheat, at two-thirds of the wheat price; so that the good barley should be selling for $1.05 per bushel. Again may I draw to the attention of the Minister of Agriculture what I believe to be an important factor in the present shortage of barley, namely the price factor.

This question of proper alignment or true relationship of prices is far more important than many people think, and has a definite effect upon the state of an industry, and even upon the economy of a country. According to the Canada Year Book of 1945, in which at page 204, average long-term yields and prices are given for the three principal grains, wheat, oats and barley, we see that the yield of wheat is 15·6 bushels per acre, and the average price 87 cents per bushel, and that for oats the yield is 30·3 bushels per acre and the price 41 cents per bushel. For barley the yield is 23·3 bushels per acre and the price 51 cents per bushel.

Let us extend these yields and prices and find out what the farmer is really interested in—the return in dollars and cents per acre. We find that for wheat he received $13.57; for oats, $12.42 and for barley $11.88. In other words he received $1.69 per acre more for growing wheat than for growing barley, or better than 14 per cent. If we consider the question in the light of today's prices we find that the return per acre for wheat is $24.18; for oats, $18.48, and for barley, $18.64. There is a gain for the wheat grower over the barley grower amounting to $5.54, or 35½ per cent per acre. Who then would want to grow barley when he can make 35½ per cent more by growing wheat?

This is what I mean when I say that prices are out of line. This is one of the reasons, and a very important one, why there is a scarcity of barley. If these prices were adjusted, our farm economy would level itself off. The barley farmer could grow barley, the oats farmer could grow oats, and the wheat farmer could grow wheat. As a start toward this happy and logical state of affairs I suggest to the Minister of Agriculture, who is concerned, and rightly so, over the shortage of barley in the country, that the ceiling price on this commodity be raised by ten cents per bushel, and that he arrange also for a bonus of $5 per acre. This will still fail in bringing about a proper equivalent value, but it will help give evidence of a desire to correct the situation and may be a means of getting more barley. The same thing applies to oats.

In my opinion feed grains will not be forthcoming until some levelling up of prices takes place. Indeed the whole question brings us into the realm of what we call parity prices. A great deal has been said about parity at different times, and demands have been made frequently for an explanation of the term. I think the word was most unfortunately chosen. Webster says that it means the quality or condition of being equal or equivalent. When we use the term in connection with prices I think of it as meaning a true or equivalent relation in the values of the commodities being priced.

I believe that the values of all the things in common use in our economy can be brought to a common denominator and the prices all made to bear a true relation to each other. This will not be easy, but it can be done. First, we shall have to make a start within an industry itself. It has been said that parity means the true relation between the price of the things a farmer has to sell and the price of the things he has to buy. This is so, but I think we shall have to begin even closer to home than that, and establish, first of all, parity between the things themselves which a farmer has to sell. Thus, as I said a short time ago, if wheat is worth $1.55 per bushel, then oats are worth 80 cents and barley $1.05.

Working on this hypothesis, how much is butter worth per pound, or potatoes per bushel, or hay per ton? A great many factors will come into the question, including, of course,

our old friend supply and demand, which will be the classical variable. Then after straightening things out in this particular industry and that particular industry we can begin to work on parities as between different commodities. If wheat is worth $1.55 per bushel, how much is an eight foot binder worth, or a six tube radio, or a pair of shoes? Once we have decided what the common denominator is we can get pretty close to equivalent values.

The really difficult ones will be those that are not quite so tangible. For instance, what are a medical doctor's services worth, (a) if you die; (b) if you don't die; (c) if you get better but wish you had died? What is a lawyer's advice worth (a) if it is good; (b) if it isn't? What are the services of a minister of the crown worth, (a) if he is a Liberal; (b) if he is a Conservative? We may after all have to be a bit arbitrary about some of these things.

Seriously, to get back into agriculture, my farmer friends are satisfied that $1.35 per bushel for four years is a reasonable and stable income. What they may think about it if the prices of other things are allowed to go up sky-high is something else. I have not quite understood a lot of the criticism that the price is so much below the world price. As the $1.35 is an average price spread over a number of years, how is it possible to tell whether the price is good or bad until the four years have passed and the average can be computed? Anything else is merely conjecture or guesswork and may prove to be badly wrong. The farmer knows he will get $1.35 and if he feels he cannot produce wheat for that price he has the opportunity of quitting and directing his energies into some other chanel. Also with the further assurance that the wheat board will buy all the wheat that will be grown during the term of the contract the great fear of being left with a large quantity on his hands has disappeared.

May I now be allowed to discuss for a short time a matter which has not been brought up in this house or if at all, then not for a considerable time. Every year about this time we see in the newspapers what are called estimates of the amount of grain which will be grown in Canada. May I suggest that this guesswork is no help at all to the agricultural industry but is, on the contrary, quite detrimental? In the first place, the guess is never accurate, or even nearly accurate; in the second place, it is invariably too high—I could say with reasonable safety always too high. In the third place, the principle or the practice of telling the world how much wheat or oats or barley or rye or anything else may be expected from our growers in any given year, especially when the estimate is too high, is a bad one and is a great disservice to the farmers of the country.

Let us first consider the matter of accuracy. Hon. members will bear me out when I say that two or three guesses are made during the year. They are all different, and they are practically always adjusted on a descending scale. The first guess for 1947 may be expected any time now. Before seeding is finished, we shall read that John Jones, the famous maker of fur-lined refrigerators, in his journey from Montreal to Vancouver, said in an interview that his observations led him to believe that the prospects for a bumper crop all across Canada were never brighter. There could not possibly be less than 500 million bushels of wheat, and coarse grains would be grown in like degree. Unfortunately, because John Jones spends a lot of money on advertising, this foolish statement of his gets big headlines. Even now nobody knows for sure how many acres have been planted to wheat, but a small thing like that does not deter the publication of the second guess. Now we are getting closer. A number of organizations who have agents out in the country are getting into the game. By now it is known that the weather has been unfavourable, perhaps dry and windy, or there have been late frosts. Cutworms and grasshoppers have taken their toll. Root-rot and browning have cut the stands considerably. They are still guessing at the acreage, because no one but the farmer himself knows exactly what has been planted. So the third inaccurate guess is made—300 millions.

Then a newspaper, in a moment of enthusiasm, sends out someone from its city office to drive all over the grain-growing provinces, to put the finishing touches on the guesses. But, Mr. Speaker, the farmer owner himself, who has walked into his grain fields a hundred times already this season, and who knows where the thin places are, and whether the heads are large or small, whether they are well filled or just half filled, still does not know what the yield will be. If after threshing he finds that his guess was within one and a half bushels per acre, then he knows that he was an excellent estimator. Yet this guess, according to the Year Book 1944, would produce an error of 35 million bushels in the total crop estimate for wheat alone. But the man driving along the country roads in a good car at forty or fifty miles an hour, seeing perhaps the best crop, perhaps the worst, is acknowledged to be able to say what the harvest will be.

If we must indulge in this pastime, why do we always get our estimates too high? If there is any merit in sending out information to an anxiously awaiting wheat market, why do we always send it out in a manner calculated to break the market down to lower prices? Why not, every once in a while, give the farmer a break and lead the markets to believe they may be short of wheat, and the people short of bread?

I believe the principle to be unsound. A parallel case would be for the Department of Trade and Commerce to tell the importing countries that Canadian pulp and paper mills will this year produce $500 million worth of pulp and paper, and then about June cut the estimate down to $400 million, and finally cut it again to $350 million, which would be within $50 million of what it was in 1944. What a howl would go up! Yet the case is not quite parallel, because nobody ever knows how much grain is produced in any given year. We know, of course, how much is delivered to the elevators, but no one knows how much is used for feed on the farms, how much is spoiled and lost, or how much is held back in storage in the farm granaries. There is no system for finding that out, so that even final estimates are at best just guesses which may or may not be reasonably close. The pulp and paper mills would know exactly what their production was, but whether or not they would want the information broadcast half way through the production year is something else again.

No; the principle and practice of issuing inaccurate information is vicious and wrong, and when it concerns foodstuffs or wearing material it is more particularly so. It is just as wrong as the practice of gambling in these commodities on the grain exchange or the cotton exchange, and is often regarded as being part of the system. It is high time we cut ourselves away from this iniquitous system of trading upon the wants and needs of the common people and regarded these gambling operations as the relics of a careless and selfish civilization. This must be what Mr. LaGuardia had in mind in his statement before the food and agricultural organization at Copenhagen, which he repeated before the united nations organization at Lake Success last November, where it was greeted with prolonged applause. This is what he said:

> You cannot have both stability in prices and security for the farmer, as well as fluctuation in prices. It is no use saying that we are not going to interfere with free exchange and free sales. If you want what is needed, you will interfere and you will put every gambling grain exchange out of business in Chicago, Winnipeg, or Liverpool, or wherever it exists.

[Mr. Townley-Smith.]

As is generally known, Mr. LaGuardia was secretary general of UNRRA, and his knowledge and experience in the feeding and clothing of the poor and destitute peoples of the world cannot be denied. His statement, therefore, must be listened to with the greatest consideration and concern. It is indeed fortunate that we in this country have taken steps to check the gambling in grains. Let us hurry the process along and bring into being a system of orderly marketing which will be acclaimed by ordinary peoples all over the world. Let us be fair and compassionate, and put humanity first.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, I would first like to refer to a statement made yesterday by the Minister of Veterans Affairs (Mr. Mackenzie) at page 1041 of *Hansard,* where in replying to certain remarks that had been made by the hon. member for Souris (Mr. Ross), he said:

> Last evening my hon. friend referred to a cost plus contract, to which I shall refer in a moment. These, however, were not cost plus contracts; they were management fee contracts, and the average price or fee or reward to the contractor was in the neighbourhood of $200 per house.

A few moments ago the hon. member for Souris rose on a question of privilege, Mr. Speaker, but he was not allowed to make his statement. I would therefore refer the minister to the proceedings of the special committee on veterans affairs of June 3, 1946, where at page 773 the hon. member for Souris asked the following question of Mr. Murchison, director, Soldier Settlement and Veterans' Land Act:

> Are all the veterans' homes under the Veterans' Land Act constructed on a cost plus basis?

Mr. Murchison's answer was:

> No; I mentioned in the statement which I made this morning that a number of these houses were let on a firm price basis, one at Calgary, one at Lethbridge, and one at Moncton, and also a few in Ontario about 200, which were let on a firm price basis. The rest were all cost plus basis.

Then I would refer the minister to appendix "B" to the proceedings of the veterans affairs committee of June 24, 1946, where at page 1082 a table is given headed "Veterans' Land Act—Cost plus fixed fee contracts" which shows that 2,551 housing units were constructed in seven provinces; one of the units specially mentioned is the Winnipeg, Manitoba, project, where 245 houses were constructed, and comprised in that are 90 units which are known as Charleswood units, of which the hon. member for Souris was speaking. Having regard to this information contained in the proceedings of the veterans

affairs committee, perhaps the minister would make a further statement particularly in view of the statement made yesterday that these contracts were not on a cost plus basis.

Mr. MACKENZIE: I think perhaps there is a little confusion over the term used. As I stated, and this is the actual fact, there was a management fee paid in certain cases, and it amounted to $210. In one case it is cost plus and in the other it is cost plus a fixed fee. That is the only difference. The fixed fee was $210.

Mr. WHITE (Hastings-Peterborough): So that there will be no misunderstanding, when the minister refers to $210 as the management fee, does he call that a cost plus contract?

Mr. MACKENZIE: No, I would not; some might.

Mr. WHITE (Hastings-Peterborough): Am I correct then in stating that the proceedings of the veterans committee which I quoted, and I refer particularly to the evidence of Mr. Murchison, the director of the Veterans' Land Act, is wrong? In answer to a question put by the hon. member for Souris (Mr. Ross) Mr. Murchison said that apart from the few units which he mentioned the rest were on a cost plus basis.

Mr. MACKENZIE: It is not necessarily wrong at all. I say I have given the correct analysis of the situation. It is a management fee, plus cost basis; actual cost, plus a fee of $210 a house. Nothing can be more explicit than that.

Mr. WHITE (Hastings-Peterborough): The minister may say that nothing can be more explicit than that, but when you speak of a cost plus contract the ordinary person understands that to mean exactly what it says.

Mr. TUCKER: What does the hon. member find fault with?

Mr. WHITE (Hastings-Peterborough): May I ask the minister one further question? Yesterday he informed the house that repairs would be made to these veterans' houses at an expenditure of some $500,000 to $700,000. Until such time as these repairs are completed, what will be done about the contracts now pending, and what will be done about eviction orders now pending?

Mr. MACKENZIE: I think it is unfair to ask such a question at this time. All I can say is that the administration will deal with the whole situation with sympathy, with understanding and I hope with some expert knowledge.

Mr. WHITE (Hastings-Peterborough): I do not think it is a bit unfair at all.

Mr. DEPUTY SPEAKER: Order. I should like to remind hon. members that we are not in committee. Hon. members should make their speeches and not question other hon. members.

Mr. WHITE (Hastings-Peterborough): The minister of his own accord introduced this matter into the house.

Mr. MACKENZIE: No.

Mr. WHITE (Hastings-Peterborough): Just a moment, please. He said that he was being very frank. He explained that the taxpayers were to be called on to pay $500,000 to $700,000 to repair these houses. I am not quarreling with that, but I am bringing to his attention now the fact that in a great many instances there are contracts pending for the purchase of these houses. Where repairs are to be made it is only fair to know what is to be done in regard to these repairs before the contract is signed. The same thing applies to any veterans who may be faced with an eviction order. There are to be repairs to be made on these houses. What is to be done in regard to the eviction orders? I am not trying to embarrass the minister.

Mr. TUCKER: What does the hon. member mean by "eviction order"? Explain that.

Mr. WHITE (Hastings-Peterborough): The hon. member is a lawyer, and surely I do not have to explain to him what is an eviction order.

Mr. TUCKER: When a man buys a house under the Veterans Land Act he cannot receive an eviction order. I wish the hon. member would explain what he means.

Mr. ROSS (Souris): Some veterans have received orders to get out by May 1.

Mr. TUCKER: That is not an eviction order. The hon. member is talking about a legal eviction order. That is not one at all.

Mr. DIEFENBAKER: It is a dispossession.

Mr. WHITE (Hastings-Peterborough): I should like to remind the minister and his parliamentary assistant that it is most difficult, indeed almost impossible, to do certain repairs on a house and have anything like a first class job after they are completed.

I should like to refer to the announcement made by the Minister of Finance (Mr. Abbott) a few days ago in regard to the rental regulations. He dealt with relief to be given certain people who had bought houses between November 1, 1944 and July 25, 1945. This relief will be of litle effect, because like all these controls there are certain strings attached

to it. The minister said that the landlord who had purchased property would be given an opportunity to prove to the court of rental appeals that he needs the house more than the tenant needs it, in which event he can give the tenant three months' notice to vacate. I do not need to point out that any practising solicitor in Ontario who has had any experience at all with a court of rental appeals would certainly advise his client that he had little or no hope of succeeding. The landlord must go through further red tape and expense, and what possible chance or hope has he of convincing a court of rental appeals that he needs the house more than the tenant does? What benefit will this be to veterans?—because the dates mentioned in the remarks made by the minister were November 1, 1944 and July 25, 1945, and the great majority of veterans were overseas at that time. They had not purchased any houses, so apparently the veteran is getting no better treatment than anybody else.

Because of the policy of rental control adopted by the government in the freezing of leases many landlords refuse to allow tenants in any part of their property, because once a tenant gets in there is no way of getting him out. One often hears the poor landlord much abused, but I would point out that every municipality receives practically all its revenue from the taxation of real estate. While rents have been frozen for years, the cost of labour and materials for repairs has sharply increased. In fact landlords who supply services such as light, heat and janitor have been doing so at increased cost; and yet they have had no rent increases.

I suggest that these rental regulations are most unjustified when they apply to small villages and rural townships. They even apply to a farmer who may rent his farm house as a dwelling. Once that house is rented it comes under rental control, and if he should decide to rent the whole farm he must apply for an order to exempt his lease as far as the farm house is concerned.

I suggest to the minister that some reasonable increase be allowed in all rents and that veterans who have purchased dwelling houses at any time in the past or in the future be allowed to obtain possession of them within a reasonable time.

The present rent controls are an injustice, and the real pity of the whole thing is the utter futility of the government's policy as a solution of the housing problem. The only solution of the housing problem is to provide an adequate number of housing units. Rental controls have made housing construction unremunerative, and eviction control has frightened capital from housing. I submit that unless houses are built soon and in sufficient numbers, the present policy of rental and eviction control will materially contribute to inflation.

Many veterans and others find it difficult to obtain building material, yet there are no shortages, at least in Ontario, of building material for garages, summer cottages, theatres and buildings of that type; one has only to look at the pictures published in the Toronto papers to see that a large number of garages, theatres and buildings of that type are being constructed.

The speech from the throne made no mention of any reduction in the income tax, but the estimates tabled on Tuesday of this week may be some indication that relief will be afforded to the income tax payer in the lower brackets. The small reductions announced in the 1946 budget and made effective only in 1947 were trifling when one considers the reductions already made in the United States and the still further reductions proposed. For example, we find that in 1947 an unmarried person—and I particularly refer to an unmarried woman—must pay this most excessive tax on all income over $750. In the city of Toronto the cost of board, street car fare and laundry amounts to at least $750 a year. Thus we find that once the bare necessities of life are paid for, the unmarried woman must pay income tax beginning at twenty-two per cent on income over $750, which percentage increases rapidly as the income rises.

The provision in the 1946 budget by which a married woman cannot earn more than $250 a year without reducing the exemption allowed her husband is in large measure responsible for the present shortage of nurses. This matter was referred to in detail by the hon. member for Lanark (Mr. Blair) the other night. During the war years many married women who were registered nurses were prevailed upon to return to their profession, and they did so; but from the first of January, 1947, many of these women refused to work any longer in hospitals. In my opinion the minimum allowance for a single person should be at least $1,200 a year and the minimum allowance for a married man should be $2,000 a year, with increased exemptions for children.

I would point out to the Minister of National Revenue (Mr. McCann) that the provision with regard to medical expenses is most unfair, because the only exemptions allowed are for amounts in excess of four per cent of the taxable income. I suggest to the minister that all medical expenses be allowed as a deduction.

I would draw the attention of the Minister of National Revenue to the 1946 personal income tax form. Any income tax payer who comes within the provisions of section 31 of the form finds that in computing his tax he must still use the method employed when the normal and graduated tax was in effect, and make the deductions at the rate of $150 for his wife and $28 for each child under the normal tax and $80 for each child under the graduated tax. Surely the minister and his department are able to bring these forms up to date, especially when one remembers that the savings portion of the tax was abolished on July 1, 1944.

I should also like to point out to the Minister that the luxury tax of twenty-five per cent on all silverware articles, watches, clocks and so on, is most unfair. Any young couple who start housekeeping today must pay this most excessive tax on silverware. I do not think even the minister would deny that silverware is a necessity. If the tax on silverware applied only to sterling silver, no one would complain. Clocks and watches are also necessities, yet they bear a twenty-five per cent luxury tax. To the average young couple of today the cost of house furnishings is high enough without their being called upon to pay the twenty-five per cent luxury tax on certain necessities.

I should like to refer to the matter of cheese, in which the county of Hastings is most interested. This county not only produces the best cheese in Ontario, but also the largest quantity. Yet during the past few years the production of cheese in the county of Hastings, as well as throughout Ontario, has been falling. It is interesting to note that a brief on prices of dairy products was presented by the Canadian federation of agricultural and dairy farmers of Canada to the cabinet on November 28, 1946. In this brief are set out the results of a survey in Ontario, as to the price received for milk and the cost of production in August, 1946. There is also an itemized statement showing in detail the cost of production. The cost of production for milk for the various commodities, f.o.b. plant, as shown by the brief, is as follows: Fluid milk per hundred pounds, $3.65; milk for cheese per hundred pounds, $2.88; milk for concentrated products per hundred pounds, $3; cream for butter, per pound butterfat, 74 cents, or in terms of 3·4 milk per hundred pounds, $2.54. For purposes of comparison, the present prices received by farmers, f.o.b. plant, for milk going into these products is as follows: Fluid milk in Toronto per hundred pounds for 3·4 milk, $3.45; milk for concentrated products per hundred pounds, approximately $2.25; milk for cheese per hundred pounds, approximately $2.15; cream for butter, per pound butterfat, 52 cents, or in terms of 3·4 milk, per hundred pounds, $1.77.

I have also a statement from the agricultural food board dated February 24, 1947 which shows returns to producers in Ontario on a delivered basis. These prices are as follows: Milk for fluid sales, $3.35 to $3.50 per hundred pounds of milk; milk for concentrating purposes, $2.25 to $2.35 per hundred pounds of milk; milk for cheese, $2.05 to $2.15 per hundred pounds of milk. Returns for butter fat, 52 to 54 cents per pound, which converted to a milk equivalent basis would be $1.82 to $1.89 per hundred pounds of milk (no value allowed for skim milk).

I would point out that there is practically no difference between the figures quoted in the brief of the Canadian federation of agriculture and those quoted by the agricultural food board as to the returns received by the farmer. In every case, with regard to fluid milk, milk for concentrating purposes and milk for cheese and butter, the cost of production is more than the actual price received.

The brief submitted to the cabinet on November 28, 1946, contains a detailed statement of the cost of producing 100 pounds of milk for sale to cheese factories, condenseries, and creameries; and with your permission and the consent of the house, Mr. Speaker, I should like to have this table appear on *Hansard*.

Mr. DEPUTY SPEAKER: Has the hon. member unanimous consent to have the table appear in *Hansard?*

Some hon. MEMBERS: Agreed.

Mr. WHITE (Hastings-Peterborough): Thank you.

Results of Surveys in Costs of Milk Production

(Ontario Basis for 3·4 Milk)

Average Net Cost of Producing 100 lbs. of Milk (delivered basis)

For Sale to Condenseries

Item	Denom.	1943	1946	Increase
Oats	18 lbs.	$ 29	$ 32	$ 03
Barley	7 lbs.	10	11	01
Dairy concentrate	6 lbs.	17	17	—
Mixed hay	80 lbs.	39	41	02
Silage	120 lbs.	24	27	03
Labour	2½ hrs.	80	1 19	39
Haulage		12	15	03
Pasture		24	31	07
Depreciation		28	33	05
Breeding		04	06	02
Misc.		13	16	03
		$2 80	$3 48	$ 68
Less Credits		37	48	11
Net Cost		$2 43	$3 00	$ 57

Average Net Cost of Producing 100 lbs. of Milk
(delivered basis)
For Sale to Cheese Factories

Item	Denom.	1943	1946	Increase
Oats	18 lbs.	$ 29	$ 32	$ 03
Barley	7 lbs.	10	11	01
Dairy concentrate	6 lbs.	17	17	—
Mixed hay	80 lbs.	39	41	02
Silage	120 lbs.	24	27	03
Labour	2¼ hrs.	80	1 19	39
Haulage		08	11	03
Pasture		24	31	07
Depreciation		28	33	05
Breeding		04	06	02
Misc.		13	16	03
		$2 76	$3 44	$ 68
Less Credits		45	56	11
Net Cost		$2 31	$2 88	$ 57

Average Net Cost of Producing Churning Cream Per Pound Butterfat
(delivered basis)
For Sale to Creameries

Item	Denom.	1943	1946	Increase
Oats	16 lbs.	$ 26	$ 27	$ 01
Barley	7 lbs	10	11	01
Dairy concentrate	6 lbs.	17	17	—
Mixed hay	130 lbs.	64	66	02
Silage	140 lbs.	28	31	03
Labour	3 hrs.	96	1 38	42
Haulage		09	10	01
Pasture		29	33	04
Depreciation		40	46	06
Breeding		04	06	02
Misc.		20	25	05
		$3 43	$4 10	$ 67
Less Credits		1 40	1 56	16
Net Cost— 100 lbs. 3·4% Milk		$2 03	$2 54	$ 51
Net Cost— Per Pound Butterfat		$ 60	$ 74	

From this brief it is clear that in future the milk producers must receive higher prices for their products if present production is to be maintained, let alone increased. Each year one reads in the press of certain cheese factories in Ontario being closed or amalgamated, which means a further decrease in the production of cheese. I remember what was said in the house on February 27 by the Minister of Agriculture as to the price of cheese under the contracts, and I trust that the minis- will make some statement soon as to the future price of cheese. In the county of Hastings and the surrounding district the price paid for cheese is at the place of pick-up by the railway company. This means the rural cheese factory has to pay the cost of hauling and delivering the cheese from the factory to the point of shipment. Yet I am advised that in other areas of Ontario the price paid is the same for the cheese picked up at the factory. Already this matter has been brought to the attention of the Minister of Agriculture, and I understood some correction was to be made. I hope the minister will announce some change before the cheese factories open next April.

A few days ago I asked the Minister of National Revenue (Mr. McCann) for a ruling by the deputy minister of taxation on whether or not the 1946 amendments in reference to cooperatives would apply to cheese factories. The reason for my question was that every cheese factory president has received notice from the inspector of income tax asking him to file certain returns and supply certain information in reference to the taxation of cooperatives and the payment of patronage dividends. Naturally I do not know what ruling the deputy minister of taxation will give, but whatever his ruling may be, it will be of the utmost importance to the cheese factories concerned. An interpretation by the deputy minister that cheese factory companies are to be taxed will do more to decrease the production of cheese in Ontario than any other action the government might take.

I wish to concur in and approve the remarks made yesterday by the hon. member for Lincoln (Mr. Lockhart) in reference to the wartime prices and trade board. If I had any criticism of his remarks it would be that he was too mild in his treatment of this octopus that has wrapped its strangling arms around every retail activity in Canada. I submit that the general public in Canada are completely fed up with government control, along with the wartime prices and trade board which has long outlived any useful purpose it ever served. I ask why this board, at public expense, should have a network of spies, investigators, prosecutors, persecutors, inspectors and officials of every kind spread over this country from coast to coast attempting to tell every individual how to run his own business, trying to tell him what he can do and what he cannot do. All this takes place in Canada, which is supposed to be a free country. Why should every retail merchant in the province of Ontario be afflicted with these pests of inspectors, who invade their stores, who think nothing of taking a whole day of a merchant's time, checking prices, asking all sorts of absurd and ridiculous questions, insisting on the filling in of certain forms, asking for the production of invoices and every other sort of obnoxious procedure, and always with the threat of prosecution if any murmur is raised?

These investigators always try to find at least one article without a price tag; then how they love to lodge a prosecution. As was well said by the hon. member for Lincoln yesterday, many of these officials had no previous experience in the work they are attempting to do, but armed with official authority they take delight in causing annoyance to our retail merchants. It is no wonder that yesterday the hon. member for Lincoln said that a little action with a shotgun would be in order. Surely we Canadians have enough sense and business ability to run our own affairs without having government officials constantly at our elbows, trying to tell us what to do and asking us to complete endless stupid forms and answer silly questions. As the hon. member suggested, let this horde of officials now in the employ of the wartime prices and trade board be put in the production line. If they had to go to work for a living you might find many of them on relief. Is it any wonder there is a black market in this country in almost every article that is in short supply? These black markets will continue until such time as the law of supply and demand operates, and it can operate only when production is increased. One of the most effective ways of having the law of supply and demand operate is to have all controls removed and throw the wartime prices and trade board, together with the czar who operates it, into the discard.

Surely at this late date the government must realize that no law can be enforced which has not the backing of the public, and certainly in my opinion the general public no longer support controls, nor do they wish the activities of the wartime prices and trade board to continue. Of course the thousands of employees of that board who now have cushy jobs and some measure of authority—and how these little officials love some authority—will want the board to continue indefinitely. The control of lumber is a typical example. In any county where there is considerable lumbering a black market has existed for months and years, and will continue to exist until the controls are removed. The government can hardly complain of the cooperation they received during the war from the Canadian lumber dealers' association and the retail lumber dealers' association. Surely, then, after this cooperation the government timber control officials must have some confidence in these organizations, so why not remove these timber controls?

In regard to veterans affairs I should like to mention only one matter; it has to do with veterans who are in receipt of pension and are attending university. These veterans who receive pensions do not receive their full monthly educational grants of $60 for unmarried men and $80 for married men. This educational grant is the reestablishment credit due to the veteran. I would ask the minister why this grant should be cut down or reduced in any way. So far as I know, a veteran who takes up his reestablishment credit under the Veterans' Land Act, and who receives a pension, does not suffer any reduction in the amount he receives, nor does a veteran who takes up his reestablishment credit in any other manner receive a lesser amount on account of his pension.

In many instances the veteran who is not disabled and who is attending university is able to undertake certain work and thereby earn additional moneys. This opportunity is denied the veteran who is disabled. I hope the Minister of Veterans Affairs will in the near future do something to correct this injustice.

Mr. DAVID GOURD (Chapleau) (Translation): Mr. Speaker, as the representative of one of the northeastern Quebec constituencies, I wish to congratulate the hon. member for Prince (Mr. MacNaught) on his excellent speech on the address in reply to the speech from the throne and on the interest he takes in his constituency and the country at large.

I must also compliment the new member for Richelieu-Verchères (Mr. Cournoyer), the successor of the Hon. P. J. A. Cardin. Seeing the sincerity, the tact and the fluency of our young colleague, I have felt proud for the constituency of Richelieu-Verchères and the whole country. The thirty-five years spent in the public service by his predecessor will not have been lost. His work will be continued; the new member has the required ability for assuming such a heavy succession.

Mr. Speaker, as I intend to tell about my constituency, Chapleau, its economic possibilities and its needs, may I be allowed to congratulate the government and the Hon. the Minister of Transport (Mr. Chevrier), on the foresight they have shown in deciding to build in my constituency a railroad branch line from Barraute to Kiask Falls. It is expected that the work, which has already started, will be completed about the end of 1947. Kiask Falls was a strategic choice, since it will be easy to extend that branch line toward the west, in the direction of the Harricana valley and toward the northeast, along the Bell river valley, as far as the Chibougamau district.

Mr. Speaker, while speaking in this house on July 24, 1946, I quoted figures to prove that if northwestern Quebec may

be called a land of tomorrows it is first and above all a land of the present. Those statistics showed the contribution of that district to our peace-time and still more, I might say, to our war-time economy.

Pioneers of that district who, like myself, have witnessed the construction of the first Canadian National Railway line, which was completed in 1915, and the economic development that ensued, can easily visualize the progress that will result from the construction of this new branch line.

According to a report published by Mr. K. M. Ralston, mining engineer for the Canadian National Railways, the metal production of northwestern Quebec, at the end of 1945; was valued at more than $550 million. Agriculture, forestry, fur-trading and the general development of natural resources previously undiscovered have accounted for the settlement and the prosperity of about 125,000 people in that area.

The region offers a geological formation extremely favourable to prospecting where already have been found and proved several ore deposits: gold at Flordin Mines, and Lakerose Mines wonderful finds in the Opewika region, gold and copper at Norbeau Mines, Obalski Mines, Consolidated Chibougamau and Opemiska.

One company has been granted a pulpwood limits estimated at 4,480,000 cords, which cover only part of the pulpwood area located between the Abitibi and Chibougamau districts.

Seven townships have been chosen for settlement purposes and it is expected that 1,700 families will settle on good land. It is estimated that this newly opened area provides 275,000 acres of tillable land which can provide a living for 15,000 inhabitants; we wish to stress the fact that west of the Kiask Falls, there are, in addition to the forest limits already granted, about 4,700,000 cords of pulpwood which ought to bring future settlers immediate benefits and thus help them through the first few years.

I pause here, Mr. Speaker, and urge the Dominion government to do everything in its power to persuade the provincial legislatures to adopt a policy which will help bring factories into the areas where they are tapping natural resources. In a district such as Abitibi, which depends mainly on mining, diversified sources of income are essential; a paper-pulp mill, had it been built, would have made them possible and would also have provided work.

In support of various suggestions with respect to taxation which I intend to put forth for the benefit of my constituency, I shall take the liberty of quoting, for the information of the house, from "An Economic Survey of the Mining Industry in Northwestern Quebec" a report published thanks to the efforts of three economists and one lawyer: Dr. O. J. Firestone, Dr. B. H. Higgins, Dr. E. F. Beach and Mr. Jean-Joffre Gourd, of the Mines and Natural Resources section of the Montreal Board of Trade.

You will see on page 1 that our own Canadian government has stated boldly that "the central task of reconstruction must be to maintain a high and stable level of employment and income".

I quote from page 4—

> It seems clear that postwar policy must be directed towards giving every reasonable incentive to private investment . . . There are various factors in Canadian economy that will make the achievement of a high level of private investment more difficult after this war than it was before the last one. In 1913, Canada came to the end of a period of enormous expansion, based on opening up the west and financed to a large extent by foreign capital. During the 20's, the last stages of this expansion of the west were completed, and, indeed, signs of retraction already appeared.

Then, on page 7—

> It must not be thought from the foregoing account of Canadian economic problems that the outlook for Canada is necessarily gloomy. On the contrary, there are a number of factors of potential economic expansion.

Further, on page 8—

> Most important perhaps, there is room in Canada for the development of new resources, especially in the Canadian north. The development of our northland, a development which must be based largely on mining resources but which would involve many forms of supplementary expansion, affords one possible field for investment that may prove comparable to economic expansion in the west as it was before 1914. Not only is the potential of our Laurentian shield still not fully realized (except, perhaps, by Canadian painters), but, as pointed out in the report of the advisory committee on reconstruction, one of the costs of war to Canada has been a depletion of her mineral resources. "There will be a serious time lag in mineral output which can only be shortened by systematic prospecting. It will also be necessary to make mining sufficiently attractive for private capital, and to this end your committee recommends that study be given to the taxation regulations at present in effect with a view to maximizing the ore production of our mines."

I quote from page 9—

> From what has been said above, it would be apparent that the mining industry is a matter of peculiar concern for postwar economic policy. The mining industry of our northland, and all that goes with it in the way of building of new towns and transportation facilities, the opening of new agricultural districts, seems to represent our chief remaining frontier. If full employment is to be maintained with a minimum of unnecessary public spending, it is essential that the opportunities in this field be exploited to

the full. Governments—dominion, provincial and local—can assist in this development in various ways.

First, by creating an environment in which investment for new development is reasonably attractive. Tax policy, especially with regard to treatment of depreciation and depletion, is one of the relevant items.

Second, governments can assist private investment by undertaking their share of the investment in community facilities, such as hospitals, schools, roads, railroads, landing strips, public utilities, and other traditional items of public investment necessary to make settlement of the area attractive to new workers.

On page 19—

The mining industry of Canada is surpassed in gross value of production only by manufacturing and agriculture. It is thus greater than forest industries, construction and electric power. The province of Quebec stands second to the province of Ontario in its contribution to the mining industry of the country, and during the past decade has been gaining on that leading province.

On page 27—

Summarizing the importance of mining as a field of employment, it can be said that the employment of one miner on the site will provide livelihood for 8·2 persons.

Finally, on page 28—

In summary, it can be said that there were 23,000 persons employed in the mining industry in the province of Quebec in 1941, that the number employed in the industry has been increasing rapidly, and that this entails a large and increasing number of other people whose livelihood depends on the mining industry and in the earnings of the miners.

The last time I spoke in this house, I commended the government for having fought inflation, and I compared our prices with those of other countries, in order to show that our anti-inflation measures had been beneficial to our middle classes and the country at large. I offered some suggestions tending to complete rather than destroy what had already been done.

I suggested the steps to be taken in order to relieve industry during the crisis brought about by a decision to put our Canadian dollar on a par with the American dollar. I then forecast a considerable loss of metal for Canada unless steps were taken to encourage the production of low-grade ore and, in other cases, of low-yield ore. I also predicted—if nothing were done to prevent it—a stoppage of mining operations, as well as the loss of income derived from mining and other related industries, and so forth, the resulting drop in production as a whole considerably weakening our resistance to inflation. Fortunately the government took some steps in the right direction, and I wish to commend the Right Hon. Mr. Ilsley for what he did last year.

I sincerely wish that the government could meet all the needs of northwestern Quebec, whose growth I have witnessed. I understand, however, that the government of a country as large as ours cannot fulfil all at once the needs of every constituency and every industry, just like the head of a family cannot, as much as he would like to, comply with all of his children's wishes. I can well understand therefore why the government is so wary of decontrol and of relieving the mining industry of its burdensome taxes.

In 1946, I submitted the following methods of relieving the mining industry and creating employment:

First, the paying of a bonus for the promotion of prospecting, exploration and development work, especially in connection with low-grade ore mines.

Second, the raising from 33⅓ to 50 per cent, of the depletion or capital reimbursement allowances for all mines, as recommended by the Senate committee on natural resources.

Third, the raising of the depletion allowance over the 50 per cent level in the case of low-profit mines dealing with low-grade ores; the increase in this allowance being inversely proportional to the profit margin.

Of course, the word "bonus" must be taken here in its broadest sense, and not in the sense of "subsidy".

Mr. Speaker, while the country's finances did not allow full implementation of my proposals, the government did pass certain measures such as I recommended, as instanced again by the statement in the house, two days ago, by the Hon. Minister of Finance (Mr. Abbott). Those measures were of material assistance in preventing the break-down I had feared in northwestern Quebec. There has been a considerable drop, however, in mining activities. I repeat here, that if companies are allowed to peter out in the promotion stage, Canada will be deprived, in the future, of its mining industry. Without our great promoters and prospectors of yesteryear, we would not now have our producing mines. It is well to recall this truth to the minds of certain producers of today who have forgotten or have never been cognizant of the beginnings of their companies.

I suggest the government now adopt measures along that line and I further submit that taxation of small salaries should be reduced to a level at least comparable to that of the United States, so that workers will be in a position to cope with the general rise in prices.

Mr. Speaker, as a sequence to my suggestion to the Board of Transport Commissioners, made in conformity with the numerous messages sent and resolutions passed by the various municipalities and public organizations

of my constituency, may I point out to the house the necessity, for our country, of helping the essential lumber and pulpwood industries, by avoiding any increase in the transportation cost of our pulpwood and saw timber, even were a general increase in freight rates found necessary.

In conclusion, Mr. Speaker, I wish to call the attention of the house to a practice quite effective in promoting national unity, the principle of which was so well understood by the government when they appointed a satisfactory number of French-speaking ministers of the crown. I refer to the appointment of a number of French-speaking deputy ministers, more commensurate with the importance of the province of Quebec. Moreover, I should like to stress the importance, from the standpoint of national unity, of appointing heads of departments who can speak the language of the majority of citizens with whom they have to deal. I wish, in particular, to reiterate the suggestion I already made to the effect that a French-speaking superintendent be appointed at the Kapuskasing Experimental Farm for the one reason that the majority of the people whom this superintendent will deal with, including the citizens of my county, are French speaking.

In conclusion, may I renew the recommendation that Canada follow the example of every Christian nation by immediately appointing an ambassador to the Vatican.

(Text):

Mr. E. D. FULTON (Kamloops): Mr. Speaker, in the course of my remarks, this afternoon I desire to refer to three subjects. The first one is the projected extention to British Columbia of the Prairie Farm Rehabilitation Act. Second, I should like to say a few words in regard to pensions, and, third, I should like to make some remarks on a particular aspect of foreign affairs, namely, that having to do with the withdrawal of our army of occupation from Germany. I notice that the Secretary of State for External Affairs (Mr. St. Laurent) is not in his seat at the moment, which is perhaps unfortunate because I shall have to differ rather sharply with him in some of the views that he

With regard to the extension of the Prairie Farm Rehabilitation Act to British Columbia, it is difficult indeed to get any information on this subject at the present time. We know, however, that the Minister of Agriculture (Mr. Gardiner) indicated last session that it was intended to extentd this act to British Columbia during the current year. While, as I say, we find it difficult to get information as to the exact intentions of the government, I should like in a few minutes to indicate what some of the people in British Columbia, particularly in the interior, feel should be the guiding principles governing the activities of the administration of that act in our province.

In its inception, the Prairie Farm Rehabilitation Act, which consists of only some six or seven paragraphs, was designed purely as a relief or rehabilitation measure to bring assistance to the drought areas of the prairies. As such, it has no particular application to British Columbia, because the areas to which I shall refer, lying mainly in what is known as the dry belt of the province, have not suffered from recent drought, having always been extremely dry. They consist of land upon which you can grow almost anything if the water which the land requires were made available, but without water farming there is at best a questionable operation, because the result of the spring run-off is to produce a rapid and luxuriant growth which may be entirely scorched and wither away to nothing as a result of the very hot summers we have. I refer to the area which starts approximately at Salmon Arm, which is on the border of the dry belt. There lie, it is estimated, some 8,000 acres of land which could be brought under cultivation if they could get water. Those acres are on the fringe of the present area of arable land. Then you go down the Thompson valley, a distance of approximately 120 miles, through Kamloops to Ashcroft and beyond, where there is a strip of land ranging in width from some fifty yards to half a mile on either side of the river down to the Kamloops basin, where at the junction of two large rivers in the centre of the area, the diameter is from five to seven miles in extent.

About the same is true of the Cariboo country. It is also in the dry belt and has land which is extremely fertile but requires the presence of a constant supply of water to ensure success in farming operations. There is one part of this area in particular, in the southwest corner, called Pemberton Meadows where an area of several thousand acres could be brought under irrigation, which is reckoned to be one of the most fertile areas in the province. The country to the south of Kamloops and in the Kootenays is of somewhat the same nature, with broken valleys served by streams but where the land lying half a mile or more away from the river bed itself is extremely difficult to farm because of the difficulty of getting water onto that land.

If the Prairie Farm Rehabilitation Act is to be of very much benefit to British Columbia and to the areas I have mentioned it will not be sufficient merely to put in irrigation projects along the bottom of the valleys. What is

required is something along the line of what they do in the United States where they have what they call the integrated project. In the United States, particularly in the Tennessee valley at Grand Coulee dam and other tremendous projects, they do not just put in a dam and block up the river for the purpose of irrigating the land lying below the level of the reservoir which is created, but build a project so as not only to irrigate the land but at the same time to make tremendous sources of power available to these areas. If you have the power available it follows that you can irrigate not only the land below the level of the reservoir but the land above the reservoir, by pumping water up there. This is particularly important in the central section of the area which I have described, because a good deal of the arable land would lie above the level of the reservoir which would be created by damming one of the rivers, but if water power were made available the harnessing of that power could pump water from the reservoir or from the river itself up to the benches above the level of the reservoir. That area is abundantly supplied with potential water power. Dams could be constructed in the Adams river, the Shuswap river, the Thompson river, the Fraser river, and their tributaries. The country lends itself admirably to these integrated projects, which is the principle which I feel should be followed in any extension of the Prairie Farm Rehabilitation Act to British Columbia. We have a combination of soil and potential water supply to make that area one to which the words of ex-president Hoover of the United States are especially applicable, when he said that "every drop of water that runs to the sea without rendering a commercial return is a public waste."

I would close this portion of my remarks by saying that such a scheme or series of schemes would undoubtedly be costly. History has proven that, whenever it has been attempted to charge up the initial capital cost of these schemes against the land which the irrigation project serves, the scheme is doomed to failure because you have to charge too high a rate. You have either to sell your land at too high an initial price or you have to charge much too high a rate for irrigation for the land to be able to bear. But if you put in your project on a long-term basis, perhaps do not even make it a special charge upon the public revenues, but float a loan which would be regarded as self-liquidating over a period of fifty years, it has a chance to succeed because you would not have to charge these tremendous rates for irrigation itself. Over that period of years you would recoup the initial capital cost because your intangible results would be so tremendous. You would have an influx of population, and increased agricultural production. The settlers would pay income tax; the railways and secondary industries would all develop; the project would expand, and the profitable community which would be created would of itself in an indirect way more than pay the initial capital cost of installing these schemes. But the history of the projects which we have had in British Columbia such as the British Columbia Fruit Lands at Kamloops and the Walhachin project some thirty miles to the west, where Lord Anglesey put in over £250,000, is that they go bankrupt when an attempt is made in a period of a few years to recoup the original capital cost from the operation of the land immediately served.

These are the two principles which, I submit, should be followed in extending the P.F.R.A. to that province: first, that it be regarded as an integrated project in the creation of water power as well as irrigation resources; second, that the project be put on a self-liquidating basis and the costs spread over a period of years.

With regard to pensions, the remarks I have to make follow very much along the lines of those made at the close of his speech by the hon. member for Hastings-Peterborough (Mr. White). What I should like to do is to renew a plea which was made in the veterans affairs committee in the fall of 1945, that the principle be established that pensions payable for wounds which have occasioned a disability should be fixed and awarded to the pensioner as of right and free from deductions, revisions or variations one way or the other for various reasons. The basis of this principle is as follows: that the object of the pension is to restore to the pensioner, as far as money alone can do it, the position which he would enjoy if he had not received his wound. It is realized that money alone cannot put the pensioner back in the position which he would be in were he not disabled, but so far as money can do it that should be the basis of the principle. It might be said that this recompense to which he is entitled as the result of loss which follows from his wound is the minimum that the country owes him and that as such, it should be an irreducible minimum. In that respect I think we might even consider a change in name. We might call it a compensation for disability, or a disability compensation, rather than a pension. Perhaps that would clearly establish the fact that it is paid as of right in regard to the disability suffered. It has been established in

the history of certain cases to which I shall refer that if this principle is not followed a great deal of confusion and even grave injustices may result.

For instance, in the case of student veterans, to which reference has already been made, as the result of our not accepting the principle that a pension should be paid as of right and not allowed to be varied, veterans who are in receipt of disability pensions and who apply for educational benefits when attending university, lose part of their pension. I wish to illustrate this point by reference to a brief prepared by the student veterans' committee of McGill university, and of course, the principles which they discuss apply equally to universities in all provinces. On page 1 of their brief they make the following claim:

A pensioner of less than 80 per cent receives an amount equal to the training allowance, that is $60 per month, plus 40 per cent of his pension rate.

On page 2 they say:

In the above calculations, no consideration is given to the student pensioner's rank, although other pensioners receive an additional pension allowance for each rank above lieutenant. From the total sum of training allowance and portion of pension, the Canadian pension commission pays the pensioner his full pension (rank allowance included) and he receives the balance from the Department of Veterans Affairs. People are therefore unable to proclaim that pensioners are not receiving their full pension.

That is the argument which the department has put forward when charged with this fact. They say: "We do pay the full pension but we reduce the amount of the educational benefit."

I should now like to refer to the minutes of proceedings and evidence of the veterans affairs committee of Friday, November 30, 1945. The deputy minister of veterans affairs was giving evidence. This matter was being discussed, and on page 950 Mr. Woods made the following statement:

The same effect takes place in respect to a pensioner who goes to a training school, except that we established a ceiling which comprises the training allowances plus 40 per cent of his pension. In short, if his pension is $100 we give him his training allowance; his total income would be his training allowance plus 40 per cent of whatever his pension is.

In other words, actually the training allowance is paid in full and the pension is reduced to 40 per cent of what he would otherwise receive. Let us look at the practical result of this formula. Again referring to the McGill brief, we find the case of Private Deberry mentioned on page 3:

Private Deberry was wounded in action in the summer of 1944. He was awarded a 15 per cent pension on being discharged from hospital, and as he felt he did not need it, he bought a $3,000 endowment policy. When he later decided he wanted to go to Sir George William's college, Montreal, he was told he would not receive his full grant. He therefore had to cancel his insurance outright and forfeit the premiums he had already paid. Although his pension amounts to $11.25 a month, he would receive only $4.50 in addition to his college grant.

I shall now refer to the case of Gunner George Petrie:

Gunner George Petrie was seriously wounded at Zutfen, Holland, on the 15th of April, 1945. He is now a paraplegic—

That is, he is paralyzed from the waist down.

—and has also lost a good deal of the use of his hands. He is studying arts at McGill university, getting around in a wheel chair, and later hopes to become a lawyer. He spent all his army savings and then borrowed in order to purchase an automobile, which he now drives to college every day. He states that if it wasn't for the fact that he is able to live with his parents, he could not even consider taking training and would probably spend the rest of his life in an institution. He receives $75 pension, $30 training allowance, and $62.50 helplessness allowance a month, and loses $30 on account of the present regulations. When one considers that a paraplegic usually has to maintain a full-time servant, a car (if he is taking training), and pay room and board, this total sum of $167.50 does not go very far.

The final case to which I should like to refer is that of Major J. A. L. Robichaud who was wounded on August 10, 1944, in the fighting for Falaise. Although he is a married man with the rank of major, he would receive exactly no dollars a month if he were to attend university, as he wants to do. The brief goes on to say:

It also seems ironical that because his rank was major, his helplessness allowance should be reduced to $32.50. as compared to George Petrie's $62.50.

What I have said establishes clearly, I think, that actually the disabled veteran who receives a pension for his disability loses part of his pension if he attends university and applies for the educational benefits. Surely if it were established that pension was payable as of right that result could not follow. If pension were payable as of right, there would be no reduction; if a disabled veteran wanted to attend university he would then be entitled also to the full amount of his educational benefit. The same thing applies in a more limited way to the case of the helplessness allowance.

I should like to refer to one more case which, I think, illustrates clearly the necessity of adopting this principle that a pension awarded for disability resulting from a wound should be paid as of right. I received a letter in the mail about a week ago. I

should like to make it quite clear that I am not claiming that this particular pensioner will not receive satisfaction, because I referred the case to the department and am assured that it will receive sympathetic consideration. What I wish to show is that this case could never have arisen if the principle were fully established and accepted that pension is payable as of right.

The background of this case is that of an officer in the Seaforths who received a stomach wound which cut him up very badly indeed, to put it mildly. After a long period of hospitalization, he has eventually been able to get around and about. But I think all hon. members will appreciate that a man who was wounded in the stomach, particularly in the lower portion, is in a precarious condition. His health is generally very much below standard; although he may have spells when he is comparatively well, he is likely at any time to feel again the effects of his wound. In a case such as this more than in any other it becomes important to establish that the pension payable to him as a result of his disability shall be payable as of right, shall not be subject to review and reduction from time to time and then, later on, perhaps be restored to the original amount.

What happened in this case can be seen, I think, if I read some of the extracts from the letter written by this man. His case was taken up and he was given 100 per cent pension. He says in his letter:

> . . . as soon as the fuss had blown over, last July to be exact, my pension was reduced to eighty per cent. Rather ironically notice of the reduction was handed me while I was still in bed recovering from the operation I had had on the pelvic wound.

In other words, between the time of his review—at which time it was decided that his pension should be reduced—and the time when he received notification, his old symptoms had broken out again and he had actually had to go back to hospital to have an operation as a result of that wound. It was while he was still in bed recovering from that operation that he received notification that his pension would be reduced. He goes on to say:

> Regarding the practice of steadily reducing one's pension, I feel that this policy is contrary in many respects to the whole purpose of a pension for the pensioner is left uncertain as to where he stands and being unable to count on its continuance all feeling of security disappears and plans for settling into a steady job have continually to be revised . . . With all the data they have amassed during the many occasions that I have been medically examined apart from the many months spent in hospital, it should not be necessary for me to appeal and go up again before yet another board . . . I fail to see why the benefit of the doubt should not be given to the pensioner instead of this everlasting gnawing and nibbling until he finally has no fight left in him and gives up in disgust.

Again I should like to say that I have hope that this particular case will be adjusted satisfactorily. The point I wish to make is that the situation which the pensioner has described and the feeling which he has expressed could never have arisen if the principle were adopted and adhered to that a pension awarded as a result of disability following from a wound received in action should be granted as of right, paid as of right, and should not be subject to any reduction or to constant review.

Mr. TUCKER: I understood the hon. member to say that he took that case up with the department and is having it looked into.

Mr. FULTON: Yes, I have hopes that this particular case will be satisfactorily adjusted. I refer to it because I feel that it affords a very good illustration of the point I am trying to make.

The third subject I should like to refer to this afternoon is that of the occupation army, with particular reference to its relationship to the field of foreign affairs. In view of the statements which have been made recently in the course of the debate on this subject, I think we should look closely at the history surrounding the formation and withdrawal of Canada's army of occupation, because the statement that our forces were withdrawn because they were kicked out is entirely at variance with the statements of two other cabinet ministers on this subject. In fact, the whole history of this matter is one of contradiction and of reluctance or inability to give information as to the policies behind first, the formation of the occupation army and, later, its withdrawal.

I take the time to refer to this matter because I think it is extremely important in the light of the background it forms to Canada's position in foreign affairs, particularly with respect to the representations which we have made that we should have a larger voice in the formation of the peace treaties, mainly the terms of peace with Germany and Austria. The house is familiar with the arguments which were put forward, and I shall refer to them in passing, to fill in the background to my remarks; they were to the effect that if we still had an army of occupation in Europe it would put us in a much stronger position when we come to demand that we shall have a voice in the settlement of these peace treaties, because we would be able to say, "We are taking part now in the policing of Europe and in the insurance that the fruits of victory, not

only in terms of advantage to ourselves but in terms of the peace of the world, will follow. By maintaining an occupation army, we are showing a readiness to admit our obligations and we have therefore the right to have a voice in the settlement of those terms."

The history of this particular matter goes back to 1945, in the last session before the general election. I wish to refer to a statement which was made then by the Prime Minister (Mr. Mackenzie King). Speaking in the house on April 4, he said, as reported at page 433 of *Hansard*:

> In Europe it is necessary not only to secure complete victory, but that achievement must be confirmed, and the continued maintenance of peace assured. Where needed, after the cessation of military operations, the inter-allied army will continue in occupation of Germany. The size of this force has been set to give continuing assurance that Germany will not be able to resist or evade the settlement which will be imposed on her.
>
> The burden of maintaining this force will be shared among the allies and all will be appropriately represented.
>
> From time to time, as progress is made, and as considerations of safety and security permit, reductions will be made in the size of this army of occupation.

I think that paragraph is important because it implies that the army might later be withdrawn; and I shall refer to that later in my remarks.

Mr. ST. LAURENT: Mr. Speaker, I do not like to interrupt the hon. member, but I would ask for your ruling on the question whether the subject matter of the debate on Monday can now be revived. On Monday we spent the whole day in discussing this matter. That debate having been concluded, I submit that the subject matter is not now open for further discussion in this debate on the address.

Mr. FULTON: I can understand the minister's reluctance to have this matter opened again—

Mr. ST. LAURENT: I do not think the hon. member means that. I asked you for a ruling, Mr. Speaker, as to whether the matter should now be reopened. That was not because of any reluctance to discuss it, but because of reluctance to have so much more time taken than the standing orders permit when there is urgent legislation that has to be considered. It might be very agreeable to stay here the year round and discuss these matters, but there are standing orders for the purpose of determining when and in what order of priority they can be dealt with. I suggest that, when one has been disposed of, it should not be reopened on another occasion.

[Mr. Fulton.]

Mr. GRAYDON: What is the minister afraid of?

Mr. ST. LAURENT: Nothing at all but the loss of time.

Mr. GRAYDON: After all, the debate was not concluded on Monday.

Mr. FULTON: In regard to the point of order, this particular subject was not discussed during the course of that debate. That is one point. The army of occupation was referred to, but the whole matter was not discussed. The second point is that this is the debate on the address in reply to the speech from the throne, and it is my understanding that any matter may be referred to during this debate. I also understand the rule of the house which forbids reference to a subject matter discussed in a particular previous debate during the same session, but I submit that, as long as I do not refer to remarks made during that debate, or quote passages from it, I am in order in discussing this particular aspect of Canada's foreign policy.

Mr. HANSELL: Before you give your ruling, Mr. Speaker, might I offer one observation which I think the Secretary of State for External Affairs (Mr. St. Laurent) has overlooked. When the motion was made on Monday for the adjournment of the house for the purpose of discussing a matter of urgent public importance, the motion was based upon the urgency of the matter. The house was adjourned, and that debate automatically died at eleven o'clock that night. If your ruling should be that we cannot discuss foreign policy on the speech from the throne, then you preclude from a discussion of that subject any hon. members who did not have an opportunity to discuss it last Monday. Our day is only six hours long. We have only six hours of debating time, and you cannot crowd 245 members into those six hours. So that while there may be some justification for suggesting to hon. members who had an opportunity to take part in that debate on Monday that they should not deal with the subject again, surely those of us who were not able to discuss it, because of the lack of time at our disposal, should be able to do so now.

Mr. GREEN: Very serious questions are raised by this point of order taken this afternoon by the Secretary of State for External Affairs. They have been dealt with largely by the hon. member for Kamloops (Mr. Fulton) whose speech is in question. I submit that the debate on the address in reply to the speech from the throne is wide

open, and that we can discuss any subject. It so happens that at the present session certain priority was given other matters, but surely that should not alter the right of a member of this house to discuss any question whatever during this debate.

The other point is this. If someone in the course of a speech, or in the course of an interjection, happens to bring up a matter that is not the subject of debate, surely it does not mean that from that time on, during the length of this session, that question cannot be discussed.

The hon. member for Kamloops has raised the question of the army of occupation. That was not the subject of the debate on Monday last; it merely came in incidentally. It was not the subject of the debate, nor was it the subject of the motion. Surely we are not to be prevented from speaking on the army of occupation because of what happened on Monday. If Your Honour rules against the hon. member for Kamloops I would point out that you place a serious limitation on the rights of members of this house.

Mr. GRAYDON: On the point of order—

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: I know you won't like it, but you will have to take it. I believe there is much merit in the point raised by the hon. member for Macleod (Mr. Hansell), because, after all, if a motion for the adjournment of the house is going to restrict something like 235 members who did not have an opportunity of speaking in that particular debate, then I think it is a gross abuse of the rules of the house. I should like to feel free, for instance, to speak on the Nova Scotia coal question if I so desire. If the point of order raised by the Secretary of State for External Affairs should be upheld, then definitely that subject would be barred, because the hon. member for Cape Breton South (Mr. Gillis) dealt with it under a motion similar to one I made on Monday. I hope Your Honour will not give in to the pressure of the government benches with respect to this, because I am only—

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: Order. I do not believe the hon. member for Peel (Mr. Graydon) or any other hon. member should suggest that the Speaker would be influenced by pressure from any section of the house.

Mr. GRAYDON: I should think at least your mind ought to be open, and I am hoping to bring some pressure to bear right now. The pressure I want to bring to bear is to prove my point, if possible, that, as far as the debate on Monday was concerned, to say it precluded any further discussion of these matters would certainly be putting the rest of the house in a straitjacket in regard to discussion of foreign affairs. I do not believe the government should hide behind the rules of the house in this matter. I believe it should be brought into the open and debated, because there does not seem to be a single reason why this rule should be invoked for this purpose at this time.

Mr. ADAMSON: On Friday last the Minister of Finance (Mr. Abbott) dealt with the matter of gold taxation, and immediately afterward I spoke on exactly the same subject. If Your Honour should rule that the debate on the speech from the throne cannot include matters previously discussed, you then would be forced to rule that everything I said last Tuesday was out of order; and with all due deference, Mr. Speaker, that would be an intolerable situation.

Mr. DEPUTY SPEAKER: In reply to the hon. member who has just spoken, may I say that the statement on gold was not made on any formal motion before the house, but was a statement made by the minister on the orders of the day.

With respect to the statement by the hon. member for Macleod that the debate had died—I believe that is what he said, though I am not sure of his exact words—I would refer him to page 987 of *Hansard* where I find:

> Mr. Gordon Graydon (Peel): Mr. Speaker, in order to conform with the usual requirements contained in the rules I shall be glad to withdraw my motion.

Mr. GRAYDON: At the request of Mr. Speaker.

Mr. DEPUTY SPEAKER: There is nothing to that effect in *Hansard*.

Mr. GRAYDON: If you were here, you would have seen that, yourself.

Mr. DEPUTY SPEAKER: Order; *Hansard* does not record that Mr. Speaker—

Mr. GRAYDON: *Hansard* does not record all the things that take place, such as a nod from His Honour the Speaker.

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: It is entirely improper for any hon. member to interrupt Mr. Speaker when he is addressing the house.

With regard to the point of order, I would refer hon. members to Beauchesne's, third edition, paragraph 245, which states:

It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

The matter came up on Monday on motion of the hon. member for Peel (Mr. Graydon). That was a definite motion. I am not going to rule that a discussion on external affairs is entirely out of order at this time; but I do think it is irregular to refer directly to what took place in that debate. However, in my opinion hon. members are free to discuss external affairs.

Mr. GREEN: May I ask Your Honour if an hon. member is free to discuss the army of occupation. That, of course, was not the subject of the debate on Monday.

Mr. DEPUTY SPEAKER: When an hon. member is discussing that subject, I can give a ruling upon it. In the capacity of Mr. Speaker I should not give a ruling on what might come up in the house.

Mr. GREEN: Let the hon. member go ahead.

Mr. DEPUTY SPEAKER: I will give rulings when questions arise.

Some hon. MEMBERS: Go ahead.

Mr. FULTON: Mr. Speaker, in keeping with your ruling I shall discuss certain aspects of this question to which reference was not made last Monday when the subject of foreign affairs was debated in the house. As has been pointed out, it so happens that during that debate reference was made to the specific question of the withdrawal of the army of occupation. That has raised in our minds the whole field connected with the army of occupation, and at this time I am trying to deal with the historical background of the matter. On that occasion no reference was made to the history.

I have just said that on April 4, 1945, the Prime Minister made a statement with regard to Canada's contributing to an occupation army, as reported at page 433 of *Hansard*, and I want to complete the quotation:

> The quota which Canada has undertaken to maintain is modest having regard to our resources and to our direct interest in the maintaining and safeguarding of the peace of the world.

The only conclusion to which one can come on reading that statement, in the light of its context, is that the subject matter of the army of occupation had been discussed among the various allied powers, and that it had been decided that Canada would maintain an army of occupation which was modest and in accordance with our resources. Everything was harmonious and, at least on the surface, all parties in agreement.

The next statement on the subject was made in 1945 by the then minister of national defence at the first session of this new parliament. I should point out that the Prime Minister's statement was made before San Francisco and before Potsdam, so that it might be suggested that the situation was changed by those two conferences. I think hon. members will agree, however, that the statement I am now about to read, made by the then minister of national defence after those conferences, certainly suggests that the situation was not changed by them.

Speaking in the house on October 30, 1945, the then minister of national defence, referring to our army of occupation, said:

> Formally the commitment continues until March 31 of next year—

That is, March 31, 1946.

> —but obviously it will not terminate on that day. I think we must proceed on the assumption that it will continue beyond that time.

Unless the minister was then speaking without some knowledge which was possessed by others of his cabinet colleagues, one is justified in assuming that it was government policy that the army of occupation would be maintained for a considerable period beyond March 31, 1946. The minister referred to it in terms of a commitment, and stated that the commitment would continue for some time beyond that day. This again supports the conclusion that it was a firm agreement and undertaking on the part of Canada to maintain this army of occupation.

The next statement was made by the Prime Minister on February 15, 1946. The then minister of national defence had said the commitment would continue beyond March 31, 1946. Up to this time it appears that everything was agreeable and all serene between the parties who were to contribute to the army of occupation. But on February 15, a month and a half before the commitment was to terminate, the Prime Minister made a press statement in which he said that—

> . . . withdrawal from Germany of the Canadian troops in the occupation army would begin early in April, and that with the present shipping forecast all troops now in Germany should be back in Canada by September or October.

So that only some four months after the then minister of national defence had said our commitment would undoubtedly extend beyond March 31, the Prime Minister reversed that stand and said it had now been

decided that even before the formal date of expiry of our commitments, our occupation army would be withdrawn.

However, there is still nothing in any of these statements which would support the suggestion that troops were either kicked out or left out of consideration for the army of occupation. This statement of the Prime Minister to which I have referred, read in the light of his previous statement with regard to agreement, is an entirely new decision. In the course of it he said:

> Now that the greater part of the Canadian army has been repatriated the maintenance of a small occupation force thousands of miles from home has become increasingly difficult. Aside from the grave difficulties in certain aspects of administration, the overhead required to provide headquarters, services, amenities, etc., for the Canadian force is inevitably quite out of proportion to its size.

Reading those statements in their context, one would be justified in coming to the conclusion that it was a matter of domestic government policy, a decision arrived at in Canada without reference to any other powers, which determined the withdrawal of the Canadian force.

During the course of the session of 1946 further references were made to this subject. The hon. member for Nanaimo (Mr. Pearkes) placed on the order paper a notice of motion for the production of certain papers. In discussion of the motion, he referred to statements which were made in the British House of Commons regarding the withdrawal of the Canadian army of occupation. Those statements were referred to, and have been referred to on succeeding occasions.

We understand, Mr. Speaker, that the withdrawal of the Canadian force was a subject of communication between the Prime Minister of Great Britain and the Canadian government. Observations in the British House of Commons confirm this, and indicate that the Prime Minister of Great Britain asked the Canadian government to reconsider its decision to withdraw the army of occupation, and that comments were made to the effect that this was imposing upon the United Kingdom an additional burden and strain which, at that time, in view of their shortage of man-power, they were ill-equipped to discharge.

These papers have not yet been produced, although I understand the motion for their production has been reinstated on the order paper. But at the same time the existence of those statements, or the fact that they were made and that the correspondence took place, has not been denied, although it has been referred to several times and ample opportunity for denial has been given. When the hon. member for Nanaimo first placed his motion on the order paper the Prime Minister requested him not to press for the production of these papers because he said the request would have to be resisted.

I think the importance of this matter can be seen in the light of the observations made during the course of the debate on Monday. I realize that I am bound by the rules and I shall try to observe the letter of your ruling.

Mr. DEPUTY SPEAKER: May I remind the hon. member that his time expired ten minutes ago. I have allowed him ten minutes in excess of his time because of the discussion which took place on the point of order. I think if I allow him another five minutes it should be sufficient.

Mr. FULTON: I thank you for your generosity, Mr. Speaker, and, through you, the members of the house who have signified their concurrence in that generosity.

As I was saying, the manner in which this matter was referred to during the debate on Monday is the thing which is of paramount importance. I think all hon. members have in mind what was said and they remember the exchanges that took place, so it is not necessary for me to transgress the rules or to do any more than ask the house to remember what was said on that occasion.

I should like to point out what I think is important in connection with this matter. In the light of the statements made by the Prime Minister and other ministers to which I have referred, it is inconsistent, to say the least, to suggest that there was no room for our forces in Europe or that we were asked to withdraw them or that we were not given any place for them in the first instance. I submit that the statements made in answer to the questions which were asked did not give the complete and satisfactory explanation which one would hope would have been given in connection with a subject of this great importance. In view of the statements I have read, I think the recent statement which was made does not reflect what must have been the true position. I believe the statements which I have read substantiate clearly the fact that this decision to withdraw the troops was taken as a result of political and domestic considerations at home. It was taken by those who did not realize at that time the consequence which that decision would have in the light of our subsequent demands for a more effective and full voice at the peace table. To my mind, and certainly in the minds of hon. members of the official opposition, they do indicate that

Canada has not been consistent in her foreign policy and has not been consistent in her stand with regard to having a voice in the formulation of the peace treaties.

That is the seriousness of this question and that is what has led me to make these remarks. We feel it is essential that we should have a consistent and well defined foreign policy. I think the house and the country is entitled to a more complete and satisfactory explanation of the reason behind the decision to withdraw the occupation forces. In order that Canada's position in international relations may be maintained and may not be subjected almost to ridicule, it is in the interests of Canada that this position should be made clear so that we cannot be charged with inconsistency in our foreign policy.

As I have pointed out, there were three contradictory statements made by three presumably responsible ministers of the crown, the Prime Minister, the then Minister of National Defence and the Secretary of State for External Affairs. This house and this country would like to know which of those three statements was correct.

Mr. LIONEL BERTRAND (Terrebonne): The imposing legislative programme included in the speech from the throne shows definitely, now that the war is over, that the government intends to rebuild the Canadian economy and to put back into work its peace-time economy. I am glad of this, together with the Canadians who think their country should, during peace time, hold among the united nations the rank which was granted to her by six years of collaboration in the cause of humanity.

During six years in this house measures dealing almost exclusively with war activities took up the whole time of the government and of the members. These strenuous years are now being followed by peace-time sessions, and the one we are now starting shows definitely that the government is directing all its efforts toward peace.

We won the war, but now we must win peace and we must maintain it. Indeed these conferences which are still being attended by the united nations in spite of differences of opinions brought about by the war, in spite of different civilizations and different national policies, reveal that the nations of the world will some day agree upon a form of unity which will give us peace and maintain it after the disorders caused by the last war. But if peace is to be universal, should it not first of all be established within each country? Canada, which has no territorial ambitions, wants universal peace, but in order to assure

the prestige she has so valiantly obtained should she not secure internal peace within her own boundaries?

When I say peace within a nation I mean order and quietness, progress and happiness, freedom and satisfaction. During all the war our population accepted the sacrifices that were imposed upon it because it was the war; valiantly, day after day it carried the heavy burden of taxation. It accepted the heavy and boring series of restrictions, the hardness of numerous laws imposed by circumstances, but it never failed to believe that the end of the war would also bring calmer and most serene days, when work would be more plentiful, taxation less heavy and the national economy easier, a better standard of living; in other words, times where one could enjoy life, happiness and freedom to a greater extent. We all had the same dream and cherished the same hopes in order to safeguard our democratic system. These hopes should be materialized. I believe that this session is most important. Our population expects that the present parliament will materialize the hopes they have laid upon us.

During the whole war we joined forces in order to defeat enemies who intended to conquer the whole world. This threat has vanished, but we must still fight with different arms against the internal enemies of the nation. We now must secure the social defence of the country. Too many political creeds have sprung up, are still springing up and will keep on springing up, and, directly or indirectly, willingly or unwillingly, tend to destroy our present society. Their doctrines are being propagated in such a way that, unless we stop them, they will deeply anchor themselves. These propagandists, above all, are persistent. By a constant repetition of the same things in the same words they throw themselves body and soul into a programme for which they will fight like zealots. After they have hypnotized themselves, they hypnotize a group and then a crowd, and finally they create opinions which times or circumstances will not be able to destroy.

I do not need to say that in our country we shall have to check the development of these subversive opinions and of the people who advocate them. This last war created an alarming freedom and an indifferent opinion which is constantly increasing, a feeling of distrust against the established authorities, and even a natural tendency toward insubordination. Here in Canada democracy must prove by concrete facts and by positive proof, even by propaganda and by the elimination of the slightest abuses, that among all forms of

government it is still the one which answers best the aspirations of our own people. At present it is far easier to laud illusions than to defend actual facts. You might tell me that I should not attack freedom. I agree with that. But I also think governments are not free to tolerate trickery; during war time laws were enacted to rid us of our enemies; during peace time we shall have to take the same measures against these people who very often were born elsewhere and endeavour to destroy the country which shelters them. We must protect the security of the state, we must protect our civil, religious and parliamentary institutions; furthermore we must secure to our population a maximum of protection, first of all by procuring for them sufficient work, and then social security.

Subversive doctrines, whether they be communism, socialism, or any other, arise out of dissatisfaction, unemployment and poverty. Some are advocating hatred against the happiness or prosperity of their neighbour, others the levelling of natural differences and the equality of our conditions. Others set up the poor against the rich, would like to do away with individual property and wealth, and stir up animosity among social classes; and from these doctrines and programmes others spring up which are more radical and more audacious in many points, and which sometimes appeal effectively to thousands of citizens. These different opinions, which differ only on the surface, sometimes converge and cause difficult times for a nation. If it is urgent to stop the breeding and expansion of doctrines which are inconsistent with our democratic and Christian principles, we must also kill the dreams they are advocating by enacting laws in conformity with the highest aspirations of our democratic principles, by maintaining a high rate of employment, creating employment when necessary, improving working conditions, bettering the fate of our agricultural classes, reducing taxation, removing useless restrictions, facilitating the purchase of individual property, giving impetus in all domains, suppressing causes of dissatisfaction by doing away with abuses.

We must also take advantage of the peace we have won, and no time could be more propitious than now to establish in every way the great Christian code of social security. I am in favour of social solidarity: the old age pension, pensions for the blind and for needy mothers, family allowances, unemployment insurance, workers' compensation, hygiene, agricultural loans, et cetera. All this proves that we care for the general welfare. This is not socialism but the carrying out of social duties, which is quite a different matter. We can never go too far in the way of social security. Social security is a protection for a nation; it ensures peace and order; it prevents the disintegration of moral values, the only real power of society. During the war we did not shun any of our duties in order to save our institutions and even civilization, and I believe that a sound material order can be based only upon a strong moral order. Human measures never impoverished a nation. The great rule of charity, humanity and benevolence still remains the eternal guarantee of the success and progress of a nation.

Therefore I am happy to see that the government will amend the Old Age Pension Act. I am in favour of greater generosity toward our aged and destitute, and this is all the more necessary because today workers are retired at an earlier age than previously, and these people should not have to wait until they are seventy before they are granted a pension. In the speech from the throne the government also announced its intention of broadening its social security programme, and for this purpose to convene or consult the provinces. It is to be commended for this. I am also advocating grants to disabled and crippled people. The resolution I introduced for this purpose during the last session received the wholehearted support of this house. Once more I have put it on the order paper this year.

I will go even farther: I am in favour of insurance against disability and sickness. I believe our people should be protected against the risks of life, against insecurity and misfortune. If certain provinces do not wish to cooperate or contribute toward a higher rate of old age pension, toward grants to crippled and disabled persons, and toward the social programme which the government will soon bring forward and the greater cost of which will be borne by the federal government, then separate agreements should be made with those provinces which are in favour of these measures and, if necessary, this house should take the proper steps to enact the best social security programme. If some provinces wish to play politics with the misfortunes of the people, then they should assume their own responsibilities. We who sit in this house must aim at granting the poor, the modest and the unfortunate their right of well-being and freedom.

(Translation):

I shall always give my whole-hearted support to any social security measure. In my youth, I went through hard times. How many people have I met whom the hazards of life had

deprived of all means of support, and condemned to a miserable existence. I feel that in a country such as ours where we lead an easy life, spend money as a matter of course and have everything, even though we pay taxes, we have no right to remain unmoved by the hardships of the social body. To wage war and make sure of victory, the nation spent billions of dollars; can it refuse to devote a few hundred millions to foster happiness and suppress misery? The King government has to its credit splendid achievements in the field of social welfare, and it is planning to initiate new activities even this year. Thus, Canada will be sure that democracy will triumph over political theories which, fashioned for the personal ends of their originators, offer happiness at bargain prices; moreover, the nation is guaranteed peace and tranquillity, within the framework of democracy.

That is all I intended to say on the address in reply to the speech from the throne, but the Union of Electors put out a spiteful article about me, written by a chap named Corbeil who claims to be its chairman. This calls for a few comments on my part which must necessarily deal with the speech made in the house on February 4th by the hon. member for Pontiac (Mr. Caouette). The paper which published it from beginning to end also upbraided me, in the same edition, for sitting on this side of the house.

Newspaperman by trade and not by chance, I accept the challenge of the Union of Electors' president. In my profession, we like to cross swords, and we are not loath to defend ourselves when the occasion arises. I now avail myself of a wonderful opportunity of doing so.

In that newspaper, Mr. Corbeil writes:

> Mr. Bertrand does not understand how Mr. Caouette can associate himself with members of Alberta's Social Credit party, who have supported an imperialistic policy regarding our flag, the war, and gifts to Great Britain. He no doubt confuses our group with a political party; he still does not grasp the idea of a member being responsible to his electors.

Can anyone be more stupid? When looking for an argument, the president of Quebec's Union of Electors publicly admits the Social Credit party's imperialism. Bravo! This fact warrants publication in all daily and weekly newspapers in the province. We are beginning to see behind the mask! The same issue carries the text of a speech delivered on February 4 by the hon. member for Pontiac, who states at page 122 of *Hansard:*

> The programme of the Social Credit party tallies with the programme of the Electors' Union. That is why I sit with the members of the Social Credit party.
>
> [Mr. L. Bertrand.]

He has every right to make such a statement; however, in so doing he showed his true political ties. I was awaiting that avowal, because to my knowledge, no member of the Union of Electors has had the courage to state openly that he belonged to the Social Credit party. We now know what party the Union of Electors supports. Its president admits the Social Credit's imperialism and the Union of Electors' sole representative avows his deep love for social credit. What a political liaison! The mask has now been removed.

The chairman of the Union of Electors is surprised to see me on the Liberal side. To kill two birds with one stone, let me refer to the same speech of the hon. member for Pontiac. He said:

> I am quite at ease with the Social Credit group. I believe it is the only one which recognizes real freedom of the individual, which allows one of its members to hold opinions different from those of the leader and other members.

That is not correct. Throughout the war, I do not believe that a single member of the Conservative, C.C.F. or Social Credit parties ever fell out of line with his leader's ideas or party discipline, while some of us did.

Mr. MICHAUD: True.

Mr. BERTRAND (Terrebonne): Many even opposed their own party on controversial topics, such as the plebiscite, gifts and loans, redistribution, etc. They have not gone to the other side and nobody has requested them to do so. I did not break faith either with myself or with my electors when, on various occasions, I held to my own personal views. I cherish my opinions, and nothing in the world can prevent me from voicing them in all sincerity. The Liberal party may have erred—for to err is human—but were it only for the fact that I found there freedom of thought and of speech I should be happy to belong to it once more. Besides, none of the leftist parties has yet shown, by its policy, tenets or position, that it can live up to my conception of a political ideal, especially to my wish to think first and foremost as an unhyphenated Canadian. I dislike imperialism. Social Credit is imperialistic to the core, I cannot sympathize with the Union of Electors because it is only the disguise Social Credit has chosen to assume in the province of Quebec.

Speaking for his party, my hon. friend claims allowances for the crippled and the disabled, and seems to give himself or his party credit for the suggestion. Let us, however, keep the record straight. I seek but to serve my constituents to the best of my ability. I

disclaim any wish to stand out or show off but, I must point out that, just as family allowances came as a result of a suggestion made in this house by the honourable member for Compton (Mr. Blanchette), the suggestion of allowances for the crippled and the disabled was originally made here, last session, by a man sitting on this side of the house, the member for Terrebonne. Nor was I merely claiming consideration for the crippled and disabled at 21 but for the disabled of all ages who, though without means of support, did not come under the social legislation then in force. All parties in the house supported my resolution. Besides, I am too firm a believer in this government's sense of social responsibility to doubt that it will soon enact legislation for the special benefit of the crippled and the disabled. I might add that all social measures implemented in Canada on a national basis, have been prepared and submitted by Liberal administrations.

The Union of Electors, alias Social Credit, have a platform that changes with the seasons. Last year, they were calling for tax exemption up to $3,000, while their supreme chief, in Ottawa, was asking for exemption up to $2,000. Last year, and this year again, they were sending us numberless letters asking that all controls be done away with, being of a mind with the Conservatives in this; popular sentiment must have changed, for now the Union of Electors are requesting municipalities to pass resolutions supporting the removal of controls, with the exception of rent control. Besides, the Union of Electors, while denying that they are a political party, play politics in the extreme and broadcast their programme of monthly old age pension allowances of $60 at 60 years of age; monthly allowances of $60 to the cripple and the invalid; monthly dividends of $20 to every citizen of the country. The hon. member for Pontiac, in his speech of February 4, repeats this programme word for word, and there is more, not satisfied with a speech, he wishes to have a debate on the matter and has placed on the Order paper a resolution requesting the implementation of this social programme, without increase in taxation.

I am in favour of all social security measures to help those who have been the victims of misfortune or sickness. With all my hon. colleagues, I am for increased old age pension allowances at an earlier age. This matter of old age pensions would have been settled last summer but for two provincial premiers, one of whom, Gromyko-like, left the meeting. For reasons of petty politics, they caused the failure of the federal-provincial conference.

The resolution of the hon. member for Pontiac and the programme of the Union of Electors border on Utopia and I might even say on election hysteria. In the February 24th issue of *Le Droit* Mr. Camille L'Heureux, a brilliant newspaperman, criticized the various features of that resolution which to his mind is nothing but a "demagogic chimera". And in a well-reasoned article from which I shall largely draw my arguments he showed quite conclusively that the proposed programme was ridiculous.

At six o'clock, the house took recess.

After Recess

The house resumed at eight o'clock.

(Translation):

Mr. LIONEL BERTRAND (Terrebonne): Mr. Speaker, before the six o'clock recess I was saying that the resolution moved by the honourable member for Pontiac and the programme of the Union of Electors border on Utopia, and I might even say on election hysteria.

Mr. CAOUETTE: What about the Liberal party's platform?

Mr. BERTRAND (Terrebonne): I live in Ste. Thérèse and if the honourable member for Pontiac wishes to answer me, I invite him to meet me there.

Mr. CAOUETTE: I shall be there.

Mr. BERTRAND (Terrebonne): A brilliant newspaperman, Mr. Camille L'Heureux, commented in the February 24th issue of *Le Droit* upon the various features of that resolution, which to his mind is nothing but a "demagogic chimera". In a well-reasoned article from which I shall largely draw my arguments, he showed quite conclusively that the proposed programme was ridiculous.

La Frontière, a weekly newspaper published in Rouyn, where, if I am not mistaken, the hon. member for Pontiac lives, and which is not always in sympathy with the government, describes the resolution as having the character of an election move, and it wonders that any member could in all seriousness put such a resolution on the order paper of the House of Commons.

The Union of Electors disseminates that plan without estimating what it would cost the country.

Twenty dollars a month for each citizen would mean $240 a year. Multiply that amount by our population of 12 million inhabitants and the annual expenditure will total some $2,880,000,000. Moreover, a grant of $60 a month to all those who have reached

the age of 60 and over is also contemplated. According to the 1941 census, there are in the country almost 1,200,000 people in that category. This plan would thus call for another annual expenditure of some $850,000,000.

There is more to come. Statistics are lacking on the number of cripples and invalids, but we are justified in estimating that a grant of $720 per annum to each one of them would cost the country several hundred million dollars.

In short, the Union of Electors would implement a four billion dollar a year programme while advocating that taxes be reduced and not increased.

That is a case of election hysteria, of demagogue chimera to quote Mr. L'Heureux once again. The Minister of Finance (Mr. Abbott) has just announced a two billion dollar budget for 1947-48, and the Union of Electors, with its extravagant programme, asks that it be raised to six billion dollars.

Mr. CAOUETTE: It would benefit Canadians and not foreigners.

Mr. SPEAKER: Order.

Mr. BERTRAND (Terrebonne): I repeat to the hon. member for Pontiac that I live in Ste-Therèse and I invite him to submit his programme to our people.

An hon. MEMBER: Lots of money for war.

Mr. BERTRAND (Terrebonne): The position taken by the Social Credit party during the last war is well known.

Mr. CAOUETTE: The Social Credit party did not take any stand.

An hon. MEMBER: You have not heard the hon. member for Lethbridge (Mr. Blackmore).

Mr. BOURGET: He took different stands.

Mr. BERTRAND (Terrebonne): If it ever came to pass, the burden of taxation saddled on Canada, which was considered to be the heaviest in the world during the war when our budget amounted yearly to three and a half billion dollars, would grow beyond measure; within ten years our indebtedness would rise to fifty billion dollars, while taxes would be a hundred times heavier than they were during the war.

The Social Credit party claim that their financial methods would settle the problem. Can people in their right senses be taken in by such statements? No. The people want old age pensions at an earlier age, allowances for the needy crippled and invalids, gradual reduction of taxes, continued employment and fair working conditions, opportunity for ownership, in short happiness within the framework of a sound and progressive economy.

The present situation is too serious for empty demagogy to be spreading illogical and misleading delusions in an attempt to cheat the public with ridiculous platforms. Destitution can be conquered. It is our duty to stamp it out. Unemployment can be warded off our national life. It is our duty to create employment where it is lacking. The people are anxious to shield their families from insecurity and the hazards of existence. Let us pass appropriate social legislation. Above all, let the people breathe freely of the tranquillity, the contentment and the peace of our homeland. That is their wish. The people of my province dislike all those peddlers of happiness who pass on, never to return.

(Text):

Mr. E. B. McKAY (Weyburn): Mr. Speaker, I wish at this time to touch on the question of freight rates generally and, in particular, to discuss their relationship to western Canada. Since the west is largely subservient to the railways as a transportation medium, the matter of freight rates is of paramount concern to the people of the prairies. Because of the application which has been submitted to the board of transport commissioners by the Canadian Railway Association for a thirty per cent increase in freight rates, I shall refrain from making any further reference to the application or the evidence which has been placed before the board for examination. There are, however, certain pertinent facts relating to the subject of freight rates which I should like to discuss at this time, and with your permission, Mr Speaker, I shall present them to the house in this debate.

It is because the imposition of higher freight rates will increase the cost of production for farmers and the cost of living for wage-earners in the west, that farm, business and consumer organizations in that area—and, I believe, in the maritime provinces as well—are vigorously and earnestly opposing any increase. I wish to add my voice in further protest against adding to the burden which the west and the maritimes feel they already bear in carrying more than their fair share of the operating expenses of the Canadian railway system. I think it is generally accepted that the railways have been faced with increased operating expenses. There have been some increases in wages, but they have certainly not been out of line with increased living costs. Certainly the wages of

maintenance of way employees, when the onerous nature of their employment is considered, are still woefully inadequate. Material costs have also advanced, and these advances tend to elevate operating expenses. The freight tariffs now in effect are much the same as those operating twenty years ago. Even prior to the war, railway operating overhead had so increased that neither the Canadian Pacific railway nor the government-owned railways were on a paying basis. Only the enormous traffic of the war years enabled them to operate at a profit. When traffic returns to normal it is quite conceivable that, with the railways' methods of accounting, they may experience difficulty in showing an operating profit. Because of this contingency, one must consider the question of freight rates and the successful operation of our railway system as a major problem likely to affect the welfare of the whole dominion.

Prairie people now, as in the past—and I believe this also applies to maritimers—are quite prepared to assume their share of transportation costs. But for years westerners have felt that they have been harnessed with freight charges definitely out of line with the charges being made in central Canada. The central provinces benefit from competitive rates, the effect of water and highway transportation competing with the railways in that area. The general freight tariff structure on the prairies is fifteen per cent higher than for the central provinces, and in British Columbia it is sixteen per cent higher than for the prairies. A freight charge of $1 in Ontario becomes $1.15 on the western plains and $1.49 in the British Columbia region. During the nineteen and a half year period ending in 1925, the net earnings of the western lines were more than double those in the eastern region. According to figures released in the 1925-27 equalization of rates case, the Canadian Pacific Railway Company's net earnings in the western region were $520,000,000, while in the eastern region the net income of the same company was $241,000,000. The freight rate structure during those years was similar to that in effect today. These figures indicate that losses sustained in operations in central Canada were retrieved by increased profits in the west; in other words, profits on the western lines were being used to subsidize operations in eastern Canada. This discrimination in charges as between the east and the west—

Mr. SPEAKER: I am sorry to interrupt the hon. member, but I should like to direct his attention to the memorandum I prepared on this matter, which was read by the Deputy Speaker yesterday, and particularly to this paragraph:

> In making this statement, I have not overlooked the fact that the only discussion excluded by the rule is the matter actually before the board of railway commissioners, namely an application by the railways for an increase in freight rates.

I would ask the hon. member to abide by the rule.

Mr. MacINNIS: Mr. Speaker, I should like to draw your attention to the fact that, when rising to speak, the hon. member pointed out that he was not going to deal with the application now pending before the board. that he was merely dealing with the effect of the railway rates on the economy of Canada. I have been listening carefully and, as far as I could hear, that is what he has done.

Mr. REID: On the point of order, Mr. Speaker, may I say that I have been listening attentively to the speech by the hon. member, and I do not believe he is touching at all upon the matter now before the board of transport commissioners. Grain is definitely left out of the appeal. The application before the board of transport commissioners has to do with everything but grain and coal, so I would respectfully suggest that when an hon. member discusses freight rates generally he is not dealing with the application at all.

Mr. CHEVRIER: I do not want to disagree with the hon. gentleman who has just spoken, and last evening I said clearly that I did not think any hon. member should be interrupted who wants to refer to freight rates generally. But in essence the hon. gentleman is discussing exactly what is before the board of transport commissioners today. He has referred to the discrimination alleged to exist between freight rates in the east and in the west. That is exactly what counsel have been arguing before the board. There can be no difficulty or doubt about that. I hope the hon. gentleman will understand that I do not want to interfere with free speech, but certainly there is no doubt in my own mind that what he is discussing is on all fours with the evidence given before the board.

Mr. MAYBANK: Contrary to what the Minister of Transport has just said, I believe there is a great difference between what is going on before the transport board and what is being dealt with here tonight. That which is before the transport board I have in my hand, in the application of the railway association, and this is precisely what they are asking: The railway association applies under

section so-and-so for authority to make a general advance of thirty per cent. That is the only thing before the transport board, and that is the only thing one may not discuss here. The mere fact that counsel may mention something else before the board surely would not preclude a member of the House of Commons from mentioning the same thing here. If that were the case the only thing necessary to gag all members of parliament would be for some person, before some tribunal, in some matter under consideration by a judge, to present a certain argument. Immediately, to use a golfing term, a member of parliament would be stymied; he would not be able to deal with that matter at all. The sole question before the board is a thirty per cent increase and, I should suppose, any increase less than thirty per cent. But as long as one is not dealing with what the transport board is being asked to do, with a view to arguing the merits or demerits of it, then I submit that everything else with respect to freight rates is obviously in order.

Mr. CHEVRIER: My hon. friend is quite right when he says the sole issue before the board—

Some hon. MEMBERS: Order.

Mr. CHEVRIER: I think I have the right to bring up this point, on the point of order. My hon. friend is quite right when he says the sole application before the board is for an increase in freight rates. But surely my hon. friend knows that those who are asked to appear with respect to that application have the right to reply on other matters, and they have in their reply pleaded this particular matter of the discrimination which may exist as between certain parts of Canada, with respect to both freight rates generally and what are known as regional rates. That matter has been discussed and evidence has been submitted. That is the point I am making, and I add that, in effect, that is what the hon. gentleman is discussing.

Mr. COLDWELL: May I just submit that the matter of discrimination as between east and west does not constitute any part of the application to the board itself. The application is for a thirty per cent increase across the board. Consequently I suggest that hon. members, regardless of the point under discussion at the present time, should be permitted to discuss anything affecting their constituencies, with the sole exception of the actual application, which does not involve the matter mentioned by the minister. Supposing counsel brings forward some other consideration extraneous to the actual application, as

the hon. member for Winnipeg South Centre (Mr. Maybank) suggested a few moments ago. That should not preclude a member of this house from discussing everything but the thirty per cent increase.

Mr. TUCKER: I wish to say a word. Surely it is not to be held in this parliament that rates which are a matter of public knowledge, which must be filed and which are available to everyone, cannot be referred to by making the statement that western Canada is being discriminated against in the matter of freight rates. Surely it will not be held that we cannot refer to these rates, which are public knowledge and public property, just because they have been referred to by the board of transport commissioners. Those things, after all are a matter of public record. Surely the mere fact that they are being discussed before the board of transport commissioners does not prevent our laying the facts before parliament

Mr. SPEAKER: I would call the attention of the house to the fact that I did not say the hon. member was out of order. I called his attention to the fact that he should be careful because he was on the borderline. Hon. members will understand that it is the duty of Mr. Speaker to ask them to abide by the rules; he has no choice but to do that. After hearing the hon. members who spoke a few seconds ago on the point of order, and since it would appear that some who have had wide experience disagree in the matter of discussing a point of this kind, hon. members will realize the difficulty facing Mr. Speaker when he must decide as to whether a matter should or should not be discussed. I would insist, however, that hon. members be kind enough to cooperate with the Chair in order that the debate may stay within the rules of the house.

Mr. McKAY: Thank you, Mr. Speaker. Incidentally, I have not mentioned the thirty per cent increase, and I do not propose to do so. I left off with a reference to a certain discrimination in charges which exists between the east and the west and which has been exposed in several investigations. However nothing has been done wholly to remove the discrimination. Costs of operation have increased on all railway lines, east and west; it has been general across Canada. If these increased costs must be met by increased carrying charges, which I definitely question, the increase should be fairly apportioned and placed where it rightly belongs. Rates should be equitable and not excessive for any part of Canada.

When speaking in Saint John, New Brunswick, on November 25, 1946, Mr. D. C. Coleman, the retired president of the Canadian Pacific Railway Company, was quoted in the *Telegraph-Journal* as having said:

> Any producing or trading centre is entitled to the advantages of its geographical location and its proximity to markets, but that railway rates cannot fairly be adjusted to relieve a centre of its geographical disadvantages.

If the word "areas" had been substituted for "centre" in this statement the east would be entitled to low rates resulting from water, highway and United States railway competition. But Mr. Coleman did not use the word "areas", because, by his doing so, the western provinces would be entitled to lower rates on account of the unchallengeable advantages of their location. Density of traffic, flat terrain which cuts operating expenses, and long hauls favour low rates for the prairies. Lack of water and highway competition on the plains, however, maintain rates at the maximum, and profits realized in that area go to make up losses in revenue in the central regions of Canada.

I say that because lower charges are forced upon the railways in central parts of Canada on account of the competition from other carriers. It has been repeatedly stated in the press that the suggested increase in rates would return $84 million in revenue to the railways. That is the sum of $7 million each month taken from the pockets of westerners and maritimers to assist the railways to operate more profitably. I say "westerners and maritimers" since other modes of transportation in central Canada will protect consumers there. In the west—and I must be pardoned for speaking from the western viewpoint, since I am more familiar with the situation there,—wholesalers, producers and manufacturers maintain that, under present freight rates in relation to present prices, their margin of profit is not large. They maintain that any increase in freight rates would certainly have to be followed by an authorization from the wartime prices and trade board for commodity price increases which would be added to consumer prices. Thus any increase in carrying charges, either now or in the future, is of vital concern to every farmer and wage-earner in the west. The farmer will realize less income from the products he sells and, in turn, will find the costs of consumer goods considerably higher. The cost of living for all will appreciably increase.

A survey conducted by the *Leader-Post* of Regina, which in this instance rendered a service to everyone in the west, reveals that butter and poultry producers would suffer a loss of revenue exceeding $1 million yearly. Increased charges for farm machinery would range upwards of a quarter of a million dollars a year. Live stock producers would have to pay out half a million dollars more in freight charges. Housewives would find their monthly store bills up at least five per cent. Hardware and lumber prices, already high, would climb substantially, and prove a further deterrent to prospective building.

In Regina alone it is estimated that building costs would increase by at least $100,000 a year. Prospective buyers of automobiles and trucks would have an average of $30 added to the price of each vehicle. Furniture, clothing and electrical appliances will all cost the consumer more. Wholesale grocers in the same city state that canned goods would carry an additional freight charge of forty-one cents per 100 pounds; and sugar, which has a rate of $1.41 per 100 pounds would be increased to $1.84 for the same quantity.

A few months ago an increase of thirteen cents an hour for steel workers was considered by Mr. Donald Gordon, chairman of the wartime prices and trade board, as likely to break the price ceiling, and was, in general effect, inflationary. So far, to my knowledge, there has been no comment offered by Mr. Gordon with regard to the effect of a general freight rate increase on the price structure of the country. If an increase of thirteen cents an hour to a few thousand steel workers is, in effect, inflationary, one must assume that increased freight charges which will increase commodity prices will make the holding of the price control line exceedingly difficult. Therefore any increase in freight charges contains a threat to the welfare of Canadians in all parts of the country.

There should be no attempt to be unfair to the railways. On the other hand, if an over-all increase in freight rates is discriminatory in effect it may have dangerous consequences. The imposition of an unfair and unwieldy freight structure upon any region of Canada can well develop an anti-confederation attitude. This has manifested itself on several occasions, both in the maritimes and in the west. This, of course, is to be avoided. All Canadians must remember that confederation should be based on equality and that economic discrimination against any area in the dominion may create separatist sentiments. I suggest that now is the opportune time to examine the whole freight rate structure so as to remove existing inequalities. Now is the time to set up a royal commission, if you will, to investigate thoroughly all charges of discrimination which have been levelled against the railways by western and other organiza-

tions. I submit that, until this whole matter is ironed out to the satisfaction of both the west and the maritimes, no body is in any position to appraise the need for a general increase in railway rates of any kind.

I have already referred to the accounting system employed by the railways; but, leaving that for the moment, I wish to draw the attention of the house to another situation. The war years brought enormous industrial development to this nation. Even though we are now at peace, there continues to be an increased income from trade. It is to be hoped that this improved state in our economy will provide much more revenue for our transportation system than in pre-war days.

Again referring to the accounting systems of the railways, I question the method which makes heavy charges against operations to provide huge reserves. It was reported in the Toronto *Daily Star* of January 3, 1947, that Canadian Pacific reserves had increased to $332 million by the end of 1945, and this after paying dividends for 1944 and 1945 of almost $42 million. Moreover, according to the bulletin "Railways of Canada 1945", issued by the Department of Trade and Commerce, the depreciation reserves, deferred maintenance and other contingencies funds of the combined railways of Canada had reached the huge total of $493,963,000 by the close of 1945. It may be safely assumed that these figures are substantially higher today. This fact should be carefully considered when one is examining the financial position of our railways.

In so far as the Canadian National Railways is concerned, one must view with alarm the enormous overhead of this railway. The government railway has never had an opportunity to operate on the right side of the ledger except during war time, and that situation has not been owing to inadequacy of either passenger or freight revenue. If adjustments were made to the capital structure under which this system labours I question very much if there would be any demand from this source for an increase in rates of any kind. The Canadian National Railways was organized from bankrupt, privately owned lines with impossible capital debts. No railway in America carries the burden of debt which the government-operated railway bears. No privately operated railroad anywhere would have assumed the liabilities foisted upon the national system by past federal administrations. Generosity, presumably to friends of governments then in power, apparently dictated the policies of those days.

[Mr. McKay.]

The bondholders and shareholders were in most cases well provided for. Now, when deficits occur because of an unwieldy and unfair debt overhead, all Canadians are forced to contribute to the bondholders of defunct private enterprise railways, either through raids on the public treasury or by increased railway carrying charges.

The first railway to fail was the Grand Trunk Pacific, which was followed by the Canadian Northern and others. The accumulated debt of these bankrupt privately owned roads amounted to well over $1,200 million. No one has yet explained why these bankrupt enterprises were not taken over at face value, at so many cents on the dollar. There should have been a revaluation of stock as would have been done in private business.

While the hodgepodge of privately constructed railways was being integrated into an efficient national system, the United States railways were undergoing a reorganization of a different kind. Many United States railways went into the hands of receivers and debts were reduced as much as fifty per cent. No such financial reorganization occurred with the government railways with the consequence that prior to the war this system was unable to meet the interest charges on its more than a billion dollar debt.

Some relief was granted in 1937, it is true, when the Capital Revision Act wiped out loans granted by the government to meet operating deficits. Previously such loans were added to capital debt. The same act changed government loans for capital purposes prior to 1932 to equity capital which meant that interest was paid by the Canadian National only in years of declared surplus. Even with these adjustments, interest charges were still twenty-eight per cent of gross revenue, while the Canadian Pacific rates were seventeen per cent, and that of class 1 United States railways was sixteen per cent. There was obviously no attempt to place the government railway on a comparative basis with any other railway. It seems apparent that, unless the government writes down the Canadian National Railways capital debt structure, this railway cannot ever be profitably operated, regardless of freight and other rates charged. I appeal to the government to assume directly some of the liabilities charged against the Canadian National Railways so that the system may have a square deal. If this adjustment is not made the state operated railways are handicapped so as to preclude a proper comparison with railways operating under

private ownership. The efficiency of operating personnel is defeated by unreasonable and unfair overhead.

Included in the national system is the Intercolonial railway which serves the maritimes. Just a brief word about this railway. The Intercolonial railway was built for political rather than for economic reasons. It was intended to cement the maritimes into the confederation block and to be as far removed from the United States border as was feasible. This may have served a strategic purpose a half century ago, but it created a long freight haul to and from the maritimes. The alleviation from excessively high freight rates over this route received some consideration in the 1927 Maritime Freight Rates Act. The effect of this legislation should have been to place the maritime areas on an equal footing with central Canada. However, the application of maximum charges set forth in the act still militates against the provinces down by the sea. Central Canada has efficient highway competition which forces charges down below the maximum permitted; therefore the differential existing prior to 1927 is, in effect, practically unchanged.

May I commend to the government the facts just presented. In order to appreciate thoroughly the effects of the present rate structure and the possibility of an increase to the west and the maritimes, a careful study should be made of all facts pertaining thereto. An examination of the effects of the whole freight rate structure upon our economic life should be ascertained. It is my opinion that freight rates for essential goods should be held to a minimum. Moreover, there must not be regional discrimination. Should periods occur when operating expenses exceed revenues the nation as a whole should be responsible for the deficits. All parts of Canada should assume a part of that burden if it should occur. The future welfare of Canada as a nation might well be at stake if rates are to vary in different parts of the country. Moreover, it is time that the railways' dependence on the west for top operating revenue stopped. Until now the west has carried the major load in providing the railways with profits. Easterners, when apprised of this truth, will, I am sure, join with us in demanding that the federal government assume responsibility for an equalization of the freight rate burden, so that the extremities of this nation, the western provinces on the one hand and the maritimes on the other, may receive the square deal to which they are entitled.

Mr. C. C. I. MERRITT (Vancouver-Burrard): Mr. Speaker, in this debate we are discussing an amendment expressing want of confidence in this government, and I am sorry that I do not see in the house tonight many ministerial targets for my remarks. I shall have to content myself with my good friend the Minister of Veterans Affairs (Mr. Mackenzie), for whom I have a special message this evening.

First, however, I wish to make a short reference to the withdrawal of the Canadian army of occupation from Europe and to the bearing of that on the amendment which has been moved by my leader.

This afternoon we heard quoted the statement of the Prime Minister (Mr. Mackenzie King) in 1945, when he said that the army of occupation as then planned was modest, having regard to our direct interest in world peace. With that statement in mind, Mr. Speaker, I say to you that the withdrawal of that force can only mean that Canada ceased to contribute to the discharge of her direct responsibility which goes with that direct interest. The reason given at the time was administrative difficulties. I wish to say to the house and particularly to the government that that reason fooled no one at the time and it fools no one now. There would not have been a reference to this matter from this side of the house had it not been for the attempt to base this withdrawal on a question of principle. I think that attempt was exploded by the hon. member for Kamloops (Mr. Fulton) this afternoon, if indeed it needed exploding, because actually I think it blew back on him who attempted to put it forward.

What are the facts and the very simple facts? At the end of the war we had in Europe an army of occupation, consisting of approximately one division. It included many long-service men, men who had fought through most of the fighting and who were being kept, for the time being, in that army of occupation against their will. It is obvious that the government could not have left those men over there doing that duty when there were short-service men at home. It is obvious too that this government would not send replacements over to take the place of these long-service men. That is the beginning and the end of the mystery of the army of occupation. That was the administrative difficulty and I say to you tonight, Mr. Speaker, that it was a difficulty of political expediency and that only, and it is no use trying to make out anything else.

I wish to say to the government, too, and particularly to the Minister of National

Defence (Mr. Claxton), who, I am sorry, is not in his seat at the moment, that in his recently expressed concern for the hearth and home of the Canadian soldier I believe he misjudges young Canadians. The young Canadian soldier does not like separation from his home. Who does? Nobody does. But the interest of all the young men of this country is in the future of their country first and in the future of their sons and their sons' sons, and it is not in any temporary disagreeable circumstances that they must put up with if they are to lead Canada on to the great future that is undoubtedly before us as a nation. I say to the government, with all the seriousness at my command, that if the absence of a few young men in Canada's service from Canada now would make any contribution to the cause of world peace in the future many young Canadians would go to the ends of the earth and stay there if this government had the fortitude to ask them so to do. If it comes to a choice between principle and expediency there never has been much doubt in the minds of the Canadian people what course this government would take.

Take national defence, for instance. On February 12 in this house, the Prime Minister reiterated the pledge he gave to President Roosevelt and indeed to the Canadian people that there was an obligation on Canada to do everything in her power to defend herself from attack from without and to prevent any aggressor from moving across Canadian soil against our great neighbour to the south. Contrast that statement of our obligation with the provision which this government has made for national defence.

Take management-labour relations. The whole history of management-labour relations under this government has been one of inability to attempt to enforce the law as it stood at any one time, again because of the political inexpediency of so doing. Or take the socialist legislation of which we have seen many an example during this session. Is this really a Liberal party opposite us, Mr. Speaker? That is what I think many people in Canada want to know. These are some of the reasons why we lack confidence in this government.

Take housing, and I wish to devote the rest of my remarks to that subject. We had a statement from the Minister of Reconstruction (Mr. Howe) on housing early in this debate, and I desire to congratulate him and the Minister of Veterans Affairs (Mr. Mackenzie) on being the only two ministers who have made statements of government policy since we assembled here in January, although much time has been taken up by members on this side asking for such statements. The Minister of Reconstruction at least made a statement, and he took great pride in the fact that there had been built in Canada last year 60,000 houses and that his target for 1947 was 80,000. He can take what comfort he likes out of that, but to do so looks to me very much like pulling oneself up by one's bootstraps. Simply to meet this self-imposed quota will not do very much to house the people in this country who need homes so badly. What has been the government's policy of which they are so proud and which was to produce 60,000 houses? The priority system has been a joke. Less than twenty per cent of the houses built in Canada have been built with priority assistance. Large industrial orders have taken most of the remainder of the building material that has been produced. The private builder has had to scramble to get any material and yet he has built over eighty per cent of Canada's houses. Shortly put, that is the result of the government's housing policy.

I wish to test that by two further facts. I hold in my hand an extract of the Maclean building reports, as quoted in the *Financial Post*. It shows that in the ten months of 1946, up to November 1, the proportion of residential building in 1946 as compared with non-residential building has fallen 15·1 per cent since 1945. That is a pretty good gauge of what the housing policy of this government has brought about. For three years before the war the proportion of housing to industrial production has been over fifty per cent, and this year it has dropped to 39·6 per cent. Then again, testing it by the same report on the total construction contracts awarded in Canada, I find that engineering contracts increased 212 per cent over 1945; commercial and industrial contracts increased 123·5 per cent over 1945; industrial contracts increased 102·7 per cent over 1945 and, if you please, residential construction contracts awarded increased 8·9 per cent. That will give the house some idea of the way in which this government distributes building material.

Even if there were completed the 60,000 houses in 1946, in my own city of Vancouver in the twelve months of 1946 there were actually fewer houses completed than were completed in 1945. That took place in a city which is growing faster than any other city in Canada and which has a housing shortage that I have every reason to believe is the worst in the country. We built fewer houses in 1946 than we did in 1945.

I now turn to the question of stimulation of building material which was the real job of the government, instead of fooling around with

priorities and things like that. What has happened? Last April the Minister of Reconstruction and Supply took over the job of stimulating building material. We had been asking him to do so for a year but it had not been done. However he started a year late, and I believe he has worked hard. What did he find he had to do in order to stimulate building material? He has had to give price reliefs from the price ceiling; he has had to give incentive subsidies to get increased production; he has had to reverse the taxation policy by giving double depreciation; he has had to make loans for capital development. The people presumably have been taxed so hard that they have not the money for that purpose. He has had to give guaranteed markets to some firms before they had confidence enough in the government's policies to increase their output. And after a great newspaper campaign he finally got around—and I think this was a year and a half late—to pulling down the Debert camp and other big camps and distributing that building material where it should have gone a long time before. Despite taking these heroic measures to stimulate the building materials—and certainly I consider reversing the government's policy an heroic measure—what is the fact now? We have heard from Vancouver and Toronto in the last two days that there is an acute shortage of nails and that houses cannot be finished because of that.

The production of nails in 1946 was down fifteen per cent over 1945, despite the government's attempt to stimulate the market. I know hon. gentlemen opposite will say that there was a big steel strike last year. That is true, and it was the chief cause of the diminution in the production of nails. But whose responsibility is it for good management-labour relations if it is not the responsibility of the government? Anyone who sat on the industrial committee last year knows that strike could have been settled at 13½ cents an hour, or whatever figure it was settled at, on the first day of the strike. If the government was going to reverse its policy and go over the ten cent limit it was not necessary to keep the steel workers out for eighty days and thereby slow down the production of nails. That is a simple answer to that shortage. I hope that the people of Canada who are suffering from a shortage of nails will know it stems back to the weak policy of the government in dealing with a great management-labour problem.

There is one more thing I wish to add on the general subject of housing, and that has to do with low-rent housing. In the minister's statement earlier in the debate, he laid down the policy of the government as opposed to the introduction of low-rent housing. By that I mean municipal corporations assisted by both provincial and dominion governments bringing about low rental housing for those in the low-income groups and to those living in slum dwellings. I wish to say to the government that if that is their policy it is completely unrealistic.

I hold in my hand a voluminous report of the Vancouver Housing Association which made a detailed and intelligent survey in my own city before the war and brought it up to date in 1945. They have no doubts about the need for low rental housing for the lower income group. There are very few social, public or municipal bodies in the country, except this government, which have any doubts on that score. Knowing conditions as I do in my own city and constituency, I say the minister's suggestion that we can get along under the "filtering up" process is so unrealistic as to be unworthy of a man whom I consider to be realistic.

Finally, I wish to turn to the question which has been discussed several times in the house, and particularly yesterday and today, namely the administration of housing under the Veterans Land Act, the small holdings. There is no question that the way in which the small holdings project or programme has developed in Canada in the last two years amounts to a public scandal.

In this debate we have heard from the hon. member for Lambton West (Mr. Murphy), who has told us about the Sarnia and Windsor houses; we have heard the minister; we have heard from the hon. member from Nanaimo (Mr. Pearkes) with regard to the Braefoot subdivision; we have heard from the hon. member for Souris (Mr. Ross) and the hon. member for Portage la Prairie (Mr. Miller) about the Charleswood project, and yesterday we heard about the wartime housing project in the Louth subdivision near St. Catharines. I wish to call the attention of the house to the fact that the conditions in all of these subdivisions across the country are the same. In every case there is bad workmanship; in every case drainage apparently has not been thought of at all; in every case there has been bad material delivered to the job and apparently also in one case short material. In every case the veteran has ended up with being charged an excessive cost for the work which was done, and a cost which was very much over what he was led to believe, by the government pamphlets, he would be charged for one of these houses.

I just wish to add my little song to that of the other members on this side of the house. I have an example from Lulu island near Vancouver, in the Veterans Land Act subdivision there, which I have called to the attention of the minister. This was the case of a veteran who was wounded overseas, who has a wife and child and whose wife was expecting another. Last June he bought his house and the contract price was $5,861.22. This winter he has had to vacate his house. There were eight inches of water under it. His septic tank was leaking and flooding the land. Two houses away, the whole top of a septic tank simply floated off, and brought about such a condition in the area that the veteran had to vacate and go into the town. His wife went to stay with her parents and he went to stay with his, both of them sleeping on couches in the living room.

Mr. MACKENZIE: May I interrupt my hon. friend for a second? I do not wish to interfere with the theme of his speech, but he realizes that when he wrote me about that case, I took it up with the authorities under the Veterans Land Act. They visited that particular house and found conditions different from the way in which my hon. friend now describes them.

Mr. MERRITT: Yes, I am well aware that the director of the Veterans Land Act took up this case. The minister was kind enough to send me the report, which suggested that the flooding conditions were not serious; and I answered the minister on that score.

I have in my hand two photographs. I wish that *Hansard* were an illustrated document, but I will try to illustrate to the house what these photographs show. One of them shows "the back of the house which I have." You can see the reflections of two telephone poles in the water and the water is covered with ripples, there being on this day quite a wind. I would not call that just dampness, and I doubt if the house would. Then I have another photograph, which is of "my next door neighbour's place, and it was nearly as bad as my own." There you can see not only the reflection of the telephone pole but the reflection of the whole house in the water; and you can trace perfectly clearly in the water the reflection of a ladder which lies against the side of the house and which may have been used to climb from the boat into the house. Those are serious conditions, and are not such as could warrant the director's characterization of this situation as being not serious. It seems to me that anyone who does not live in such a place should at least withhold comment on the "relative" seriousness of the flooding of one's basement.

Mr. TUCKER: Is the hon. member referring to the city of Vancouver when he says "live in such a place"?

Some hon. MEMBERS: Oh, oh.

Mr. MERRITT: As a matter of fact, although I do not see what it has to do with the discussion, I am referring to a Veterans Land Act project situated, not in the city of Vancouver but outside the city limits, which is under the direct responsibility of the department of the minister to whom my hon. friend who has just spoken is the parliamentary assistant.

Mr. MACKENZIE: Who took the photographs? Where did they come from?

Mr. MERRITT: The photographs came from the man himself.

Mr. MACKENZIE: The man about whom the hon. member wrote to me?

Mr. MERRITT: Yes. I received them just today, which I consider very fortunate.

Mr. ROWE: You might send the minister a copy.

Mr. MERRITT: I will send them over to the minister. I just outlined that case to show that there is hardly a place in Canada where these same conditions do not exist.

I now wish to refer to the minister's speech. He ended up yesterday by referring to our main interest in the veterans. He made promises to repair the damage and expressed his desire for the cooperation of all members of the house and the hope that we would be satisfied with his frankness with us yesterday. I can assure him of the cooperation of every member of this party. We raise this matter only because it must be raised and must be settled, and he has our full cooperation. We appreciate his frankness. We know that the minister personally has every good wish toward the veterans and would do anything in his power to assist their cause; but those good wishes are not enough and the minister's speech is not enough. We need results as well as good wishes with respect to these Veterans Land Act projects.

I am now going to outline some of the results we hope to attain before we stop talking about these matters. We want the following assurances from the minister, from the point of view of the veteran. First, we want to be assured that all these houses will be put back in proper repair. I think he has given us that assurance. We want

to be assured further that the drainage problem will be attacked immediately and successfully and not at the cost of any of the veterans on any of these projects. Those are the first things upon which we want the most positive assurances. We do not want to wait, as one correspondent of mine suggested, ten years before a municipality can get certain pumps and thereby drain the low-lying land. We want these houses fixed so that the men can live in them now. We want the most energetic steps taken at once.

Second, we want the assurance—and this is particularly important—that no veteran who has a house in bad repair or with bad drainage is called upon to sign a contract until he has satisfied himself that the house has been repaired so that he can keep it as his home and be proud of it in the future. This is a most important point, because it is my information that in the Charleswood project veterans have been given until May 1 to sign these contracts for these houses, even although they are not fully repaired, or else they must vacate. That attitude on the part of the officials of the minister's department, if it is correctly described, is not, I think, the one the minister himself would adopt toward any veteran. So we want that matter looked into and an assurance given us that that kind of thing will not occur. There have been other cases of pressure by officers of the Veterans Land Act division of the minister's department, pressure to sign up originally, pressure to hurry up and make a choice. We have much evidence of that kind of thing, and we want the minister to look personally into the question of what pressure is being put upon these veterans.

Mr. MACKENZIE: By the department?

Mr. MERRITT: By the departmental officials, so that, as some of us believe, the shortcomings of the people who administer this scheme might thereby be minimized.

I wish to make particular reference to the remarks of the director, in the case I referred to the minister. In addition to suggesting that this "lake" was not seriously flooding, he also suggested that perhaps the veteran had acted with too great haste in accepting this house, and that, after all, the veteran had not been able to provide himself with a house from any other source. If that is the attitude of the director I say I believe it is the duty of the minister to have that attitude corrected. The veteran has no responsibility whatever for the fact that he is without housing accommodation. It is not his fault that he cannot get a house on his own resources, and that sort of statement does not give me confidence in the eventual happy settlement of these difficulties under this administration.

Mr. MACKENZIE: With reference to the pressure mentioned by my hon. friend, would he be good enough to send me any cases which have come to his attention? I have received none up to the present time, and I should be glad to have them.

Mr. MERRITT: Yes, I shall be very glad to do so; I have some here. It seems to be thought by some of the officials of this department that, as to these veterans who have flooded or badly constructed houses, the principle of *caveat emptor* applies; that these veterans, having bought the houses, must take them as they are and suffer the consequences. I want to say to the minister that in the circumstances in which this small holdings scheme under the land act was born and introduced to the veterans who came back from overseas, there is a great responsibility on the government, as I think the Minister of Veterans Affairs appreciates, to lean over backwards in seeing to it that these veterans get every possible break, and even more breaks than they would have been given in an ordinary commercial contract. The very fact that they were contracting with the government which said it owed them such an obligation was likely to make them less careful in regard to the business details; and if a house was recommended to them by a government official, many of these men would not think it necessary to make any inquiries themselves before signing up. I think there is a great paternal obligation on the government to people settled in these subdivisions.

Mr. TUCKER: Would the hon. member not admit that any of these cases which have been brought to the attention of the department have been looked into right away and rectified if at all possible?

Mr. MERRITT: Yes; I want to assure the minister and his parliamentary assistant that I personally have had every courtesy from both hon. gentlemen in regard to these matters, but I am talking of the way things sift down across this wide country; and it does appear to me that there is need to jack up the administration under the Veterans' Land Act. My goodness, it is perfectly clear to everybody that there is a need for this. Bad workmanship; floods; choice of location—these are not the results that flow from competent management.

There is a third assurance we want from the minister; that is, that the excessive costs of these homes will not have to be borne by

the veterans. As to that I wish first to refer to the resolution of the veterans affairs committee contained in its final report of July 25 of last year; it is recommendation No. 2, on page 6:

That the government give consideration to the introduction of a bill to amend the Veterans' Land Act, 1942, to provide that the total cost of all homes over six thousand dollars presently constructed or in actual process of construction under the small holdings scheme be subsidized twenty-three and one-third per cent.

I hope we may be assured by the minister that effect will be given to this recommendation now. Then I want to ask the minister to see to it that a revaluation is made of all these damaged and flooded houses. I say these houses were built on a cost plus management fee basis; that they are now damaged goods, and that you cannot expect to get cost plus fixed fees for damaged goods. Even if they are repaired, in many cases they will not be as suitable for the veteran as they would have been otherwise. Each house should be revalued to make sure the veteran is not called upon to pay more than he should for it.

I want to make the second point, that in this revaluation any consequential damage which has been suffered by the purchaser through no fault of his own should be taken into account in fixing the final price. To mention again the case I referred to the minister, in order to give him my idea of consequential damage, that veteran went on the land last summer, ploughed it and paid for the ploughing. His wife bought curtains, carpets and so on to fit that house, together with many other household accessories that go only with the house in which you are living, as many hon. members know. These are consequential damages, for which that man should be reimbursed. In the case in point the veteran concerned is now being given a wartime house and his deposit on the house under the Veterans' Land Act has been returned, so that his case is dead except as an example, but for this consequential damage. In his new wartime house, however, he has lost the value of his ploughing, his curtains and so on, and is suffering considerable inconvenience for which, under a commercial contract, he would be reimbursed. I think that should be taken into account in the revaluation. It is not as though *caveat emptor* applied; it is not as though he knew the house was going to be flooded. On the facts as related to me he did not know that. The local officials knew it, however, because, when the house was being built the previous winter, men could not get in to work on the place for several days, and all the neighbours were surprised when this man moved into the place. Apparently that was a disability within the knowledge of the department and not within the knowledge of the veteran, so that I do not believe he should suffer for that.

From the point of view of the taxpayer, hon. members on this side of the house would like certain requirements met. The first is that all necessary repairs shall be done at the expense of the contractors. The minister said that was being looked into. I understand that in most government contracts there is a "sound workmanship" clause. It seems to me the things we have heard about cannot be considered sound workmanship, and must be in breach of contract. The general public should not be called upon to pay for those repairs. Then, by order in council last year, with the approval of the veterans affairs committee, $1,000,000 was applied to this project. We should like to know whether that floated away with the top of the septic tank, or what happened to it, and why it has not reduced the cost to the veterans.

Mr. MACKENZIE: I may say that part of it, in any event, has been carefully and prudently expended.

Mr. MERRITT: I simply suggest that we should like to know.

Then I believe we should cut out these cost plus fixed fee contracts, and I shall give my reason for that. I have a case here of one of the Braefoot houses, which was worked out at a cost per square foot of $8.14. Last summer, in the debate on housing, the Minister of Reconstruction and Supply gave the National Housing Act figure as $4.20 per square foot, with an increase of ten per cent last year. So that apparently under the National Housing Act, in calculating lending value, one is allowed $4.62 per square foot and this house cost $8.14 per square foot. I had some figures from Vancouver for private housing at $6 per square foot. I believe I have said enough to show what is wrong with a cost plus management fee contract.

What we want is that the government shall not simply say, "Oh it was very hard; we could not get good materials; we could not get good workmen." They had good materials to make munitions of war; they had good workmen to make munitions of war. I am sorry to say I cannot accept that excuse for the bad workmanship in these projects. Good inspection—the inspection upon which the government insists under the National Housing Act—would have obviated every bit of this.

A letter from the hon. member for Nanaimo (Mr. Pearkes) in September, 1945, called the danger of bad drainage to the attention of the department. Therefore there could have been no reason why that was not properly looked after. I believe the taxpayers should know that any sum of money they have to pay, which is not paid by the contractors, is the responsibility of the government.

I realize I have only a short time left to speak, but with the time at my disposal I would refer to the suggestion for a royal commission. The minister has said that a royal commission would do no good because it would keep people waiting for a year to have repairs done. We do not want a royal commission before the repairs are done; we want that to go ahead at top speed. But what we do want a royal commission to do is to see that these financial adjustments, of which I have spoken, are carried out, and to see that the mess in connection with these projects does not fall on the veteran, and that it does not fall on the taxpayers any more than it must.

My final word is this, that against the failures of this government in housing, labour relations, foreign affairs, tax reductions and many other things which hon. members have mentioned, the Prime Minister (Mr. Mackenzie King) in this debate took pride in the fact that forty per cent of the voters of Canada voted for his party and government during the recent by-election. I say to him, Mr. Speaker, that it is high time we got rid of a government which prides itself on forty per cent efficiency.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, I am glad that this evening and on other occasions the question of freight rates, in a general way, has been discussed. And in a "general" way I also wish to enter into discussion of the freight rate structure of the country, from the viewpoint of its being "generally" an inequitable structure.

It is true I may have occasion to remark something about an application which is now before the transport board. But any reference to the application before the board is, as authors so often say in their introductory words in books, purely coincidental.

Mr. CHEVRIER: *Obiter dictum.*

Mr. MAYBANK: I would repeat what the Minister of Transport (Mr. Chevrier) has said, that he hopes that all such remarks will be *obiter dicta*—and I believe that means in the nature of an aside or asides. I suppose any references I would make would be *obiter dicta*. So that at least the Minister of Transport and I start out in complete agreement at the present time, although some little time back we were in disagreement on a point of order.

But before touching upon the freight rates question, I wish to make one other remark—but shortly—upon a different subject. My first observation shall be to compliment and congratulate the government upon the agreements thus far made relating to interprovincial and intergovernmental settlement of finances. I believe the government is to be highly complimented upon the progress it has thus far been able to make.

I have been reading the speech from the throne from Queen's Park, and there would appear to be some disagreement in that quarter as to the adequacy of the proposals of the dominion government. But whether they agree with the adequacy of the proposals or not, I think people in all provinces must realize that some changes had to be made in the financial set-up in Canada, and the load placed upon the provinces having the opportunity to get the wherewithal to carry the load. I believe all must realize that the poorer provinces could not carry their load; and this is particularly true in my own province which, from a tax collector's point of view, is too poor to go ahead with such developments as are necessary and to effect necessary social amenities, although it does create a great deal of wealth. But from the point of view of the tax collector, and including only direct taxation, it must be regarded as a poor province. For that reason, and because a settlement greatly beneficial to it was made possible, I believe the government is entitled to great credit.

But when paying tribute to the government for a job well done, I do not want to overlook one man who played a great part in these dominion-provincial negotiations and whose work in no small measure contributed to their success. I refer to the Hon. Stuart Garson, premier of Manitoba. I have sometimes thought he was the most far-sighted of any of those who gathered about the table. I do not press that comparison; but he certainly was clear-sighted, patient, conciliatory and resourceful in negotiating for his province. And, above all, he was sincere—and that is important. He was sincere in trying to work out something that would be for the benefit of all Canada, while working especially for his own province. It is my belief that he is responsible for a large measure of the success attained.

But now, just when we have concluded satisfactory interim agreements which will put the

provinces upon a better situation henceforward, we in western Canada face a serious threat to our economy, and I believe the same is true of the maritimes. However I speak more particularly with respect to the prairies.

A special endeavour is being made by certain agencies in the country to place an additional tax on the backs of the people of western Canada. It is a scheme peculiarly designed to tax them, and only them; and if it succeeds it will go far to undo a great deal of the good that has been accomplished in the proposals contained in the agreements I have mentioned.

Mr. Speaker, I know that the difficulty of determining a point of order in the house with reference to a discussion of freight rates is extremely difficult. I am, and I think all hon. members are, deeply sensible of the hard position you have to fill. I am—and I believe this view is shared by all other hon. members—keenly sensible of the excellent manner in which you discharge your function as Speaker in endeavouring to keep us within the limits laid down by the rules. Certainly I do not wish to offend against the ruling handed down by Your Honour through Mr. Deputy Speaker last night in relation to this subject. If I do mention the proposals before the transport board I wish you to know now that it is done only for the purpose of leading up to a conclusion and recommendation I have to make, and independent of what happens to be before a court at the present time.

I had occasion a little earlier this evening to discuss the exact case that is before the board, and I would recall to you that the case before the board is expressed in these words—I am leaving out certain interconnected words in order to get it more clearly—"the railway association applies under section 325 and certain other sections for authority to make an advance of thirty per cent in tolls and rates." That is the only question before the transport board. There is nothing before that board at the present time about grain rates because I think it is made clear that since grain rates are statutory, they do not come within the purview of the jurisdiction of the board. So they could be discussed. By the same token, increases of thirty-one per cent or thirty-five per cent or ninety-two per cent are not before the board. All that is before the board is a thirty per cent increase, a very narrow sort of application—a narrow field from which we must keep away.

I should like to introduce with this comment what I am going to say. Sometimes, when one is discussing what will be the effect of a judgment, he does not need to enter into a discussion as to what the judgment ought to be. You may discuss the effect of a judgment without saying anything about the merits or demerits of the arguments pro and con which lead up to the judgment. If there were a murder trial going on in Ottawa I feel that we would agree that we should not discuss the merits of the case for the prosecution or for the defence. Whether the accused should be convicted or not is something that we would feel we had no right to discuss. But the effect of being found guilty and hanged is that after you are hanged you are dead. There would be no prohibition upon our discussing the effect of hanging.

With reference to this freight rate application, I may say that, while all the railroads are making it, I think it can be viewed chiefly as a Canadian Pacific application. Most of the railroads with the exception of the Canadian National are small, but the Canadian National situation is not important in connection with freight rate making. That is a point that I may develop a little later. It is something which has been pretty well accepted over the years in rate-making circles. that the Canadian National and its needs are not to be taken as the criteria. So one may say that this is pretty well a Canadian Pacific proposition.

Mr. SMITH (Calgary West): You are not serious about that?

Mr. MAYBANK: I am quite serious. It will be recalled that the application has been made not to raise certain uneconomic rates, not to seek an increase by having cost saving schemes made effective; it is simply an application that everything be raised thirty per cent. I think, in regard to coal, a specific figure is asked for. By reason of the inequitable situation in which we find ourselves today in connection with the rate structure, a demand of that kind is levelled particularly at western Canada. There can be no doubt that the allowance of such an increase will be permissive. I do not say what the judgment of the board ought to be, but I do say that, in the event of a judgment permitting the increase, the railroads ought to take counsel together and with the government before they put it into effect. I suggest that such a remark is apt in the case because the Canadian National Railways is our own creature. Before the Canadian National Railways actually increases rates, there ought to be a conference to consider the effect of that raise before they take advantage of any judgment that may be rendered in their favour. I do not speak as to the merits of the judgment itself, but the railroads, particu-

larly the one which is ours, ought to consider the situation carefully before taking advantage of any judgment.

I have said that, by reason of the inequitable system under which we labour at the present time with rates as they are, any change will necessarily bear rather heavily upon us in western Canada. Some other speakers have already pointed this out. If the railroads have the power at any time to raise rates, they will not raise them in central Canada but will raise them in western Canada. I do not suggest by this statement, any moral obliquity on the part of the Canadian railways; it is simply a matter of fact that when it is possible to raise rates by reason of a judgment they raise them in western Canada because western Canada is a natural monopoly. The contrary holds true here in the east. There is no monopoly, there is water competition, and there is good truck competition here.

If any person has any doubt about this I ask him to note what has appeared in the newspapers, and then I think he will be convinced that what I am saying is correct. The newspapers do not report any person appearing before the transport board at the present time for either Ontario or Quebec, although an application is being made for an increase "straight across the board".

Mr. REID: That is significant.

Mr. MAYBANK: It is most significant and I thank the hon. member for New Westminster for adding a punch to what I was saying. It is most significant that people should be faced with an apparent thirty per cent increase and not care. Since I have been interrupted by a Scotsman, helpfully I admit, I am reminded of what happened in Glasgow.

Mr. REID: I got my Canadian papers the other week.

Mr. MAYBANK: They say that you cannot take the breeks off a highlander, and I do not think you can take the Scotch away from a Scotsman even though you give him Canadian citizenship papers.

Mr. REID: I rise to a point of order; I am a Canadian.

Mr. SMITH (Calgary West): I think it is a point of privilege.

Mr. MAYBANK: I agree that the hon. member is a Canadian, and a very good one. However I know he will not take umbrage in being reminded that until a short time ago he was Scotch. As I was saying, the action taken by the governments of Ontario and Quebec reminds me of the people of Glasgow. They had a municipal railway in Glasgow and the city fathers raised the rates. There was no protest. The city fathers raised the rates again, and still there was no protest. The city fathers raised the rates again, and there was no protest. After a short time, despite the fact there had been no protest, the city fathers lowered the rates one notch. Then there was a protest. All the citizens of Glasgow came forward complaining bitterly of the reduction and demanding that the rate should be put back at the high spot in order that they might save more money by walking.

Here in the central provinces the position is like that. It does not make any difference whether the rates are raised or not because the people would save money by not using the railroads, and so the companies will not do it. There cannot be any doubt, on the other hand, that any threat of this sort is a gun aimed at western Canada and, if permission to increase is granted, the gun will go off. Moreover, we are at the present time in the position of having, on the whole, about a fifteen per cent higher level of freight rates in western Canada than exists in central Canada, and so far as British Columbia is concerned the level is about twenty-five per cent higher; so that any increase which is granted, say thirty-one per cent, would be thirty-one per cent on $1 in the central provinces, thirty-one per cent on $1.15 on the prairies, and thirty-one per cent on $1.25 farther west, and whereas we have already an inequitable system, the same percentage applied to different bases would naturally increase the discrimination, which is something that, as we look ahead, causes a great deal of concern.

I know a certain business institution in Manitoba with an annual freight bill, on outgoing goods, of $1,250,000 and, on incoming products, about $400,000, or a total of about $1,650,000. Half a million dollars added to that would be a great addition to the expense of doing business. Its competitor at the present time, a large competitor in the central provinces, has a freight bill which compares with the Manitoba company's bill as six compares with twelve. If the increase is granted you have in the one case a percentage increase on twelve and in the other case an increase on six. You see the great disparity that at once occurs, and that applies on everything. It is so with a pound of rice; it is so with a binder; it is so with a tractor, with a pair of shoes and a pair of shoe laces. It applies to everything. I do not know of anything that could be more inflationary than a freight rate increase. Suppose that by reason of trans-

portation costs the cost of an article increases by one cent. In small towns, particularly mining towns, the retailer will naturally nearly always add a nickel to the price of the goods, and when that is done on every single article that people are using the effect is very inflationary indeed.

I do not think any person has yet adequately presented the difficulties in which the railroads find themselves, and I am not adequately presenting their difficulties. I am willing to take on faith that the railroads will need some kind of relief. The only point which I should like all members of the house and all people in the country to consider is just what sort of relief ought to be granted.

There is one thing I should like to warn against. Some of the protagonists for the railroads, in saying that they need some relief, would attempt to make out of their position a sort of wage claim. I know one advocate of the Canadian Pacific Railway Company, speaking at a public meeting somewhere, indicated that the freight rate question was just a wage claim. Frankly, I regard that sort of propaganda with a good deal of suspicion. I am not forgetting that the Canadian Pacific Railway Company was the only employer that did not deal generously with its employees who got tangled up in the 1919 general strike, and I am not forgetting that every effort to get them to act in the same manner as other employers was fruitless. I am not forgetting that, when they were asked to acquiesce and assist in a general inquiry into the position they had taken with respect to their employees, they turned a deaf ear to that request. The request was made by the Minister of Labour of this government (Mr. Mitchell) but the C.P.R. would have none of it, and so, when they talk about their needs in terms of the needs of their workmen, I cannot help viewing their propaganda with a good deal of suspicion.

I have dealt already with the general inequity that exists in freight rates in the country, and I wish to say that there are a good many reasons why the prairie provinces, and British Columbia too, should not be paying to the railroad economy of Canada more than they have already, over the years, been paying. I was reminded this afternoon by a right hon. gentleman of this house that our freight rate structure has never been scientifically devised. Like Topsy it has just growed. One time a long time ago a rate was fixed and that rate became the datum. I am sure the Minister of Transport will agree with me that they used that one rate as a datum, and from that moved on to another rate. We have never really had a scientific investigation of our freight rate structure.

Mr. REID: All the traffic would bear.

Mr. MAYBANK: For a long time—and this was borne out by the statements of the hon. member for Lisgar (Mr. Winkler) a night or so ago—it would indeed appear that the charges were often levied on the basis of what they could get the shipper to pay; in other words, on whatever the traffic would bear. I think the rates should be set basically on the costs of doing business and if, when the rates have been fixed in that way, taking into consideration all things, some part of the country cannot get railroad service on the rates so levied, some method of relief must be worked out because, being the political entity that we are, we must see that decent railroad service is provided everywhere. But the first consideration should be the cost of doing business.

It costs a good deal less to operate a railroad in western Canada than it does anywhere else. This was brought out most clearly in hearings before the board in the 1920's. I shall have something to say a little later about the need of using stale figures in presenting an argument in this house. In 1925, 1926 and 1927 and perhaps some other years, the province of Manitoba was represented by H. J. Symington, K.C., in various hearings. He is now president of Trans-Canada Air Lines and a director of the Canadian National Railways. Under a searching examination, resulting from years of research and a natural acumen and aptitude for this sort of inquiry, he brought out a great many facts respecting our railroad problem, particularly as it relates to western Canada. Those inquiries showed that western Canada supplied to the railroads the major part of their net revenue. It did then and it does now. I made extensive notes of the transcript of proceedings taken at that time. I do not mean that I did it at that time; I have done it since. For example, in February, 1927, Mr. Lloyd, who was then assistant comptroller of the Canadian Pacific Railway Company, gave evidence. He said that in five years the net earnings of the railway for eastern Canada were $76 million, and in the same period in the west the earnings were $146 million. Incidentally he said that he could not think of any operating factor that was unfavourable to western Canada in a comparison of the value of the two sections.

Reference is often made to the low freight rate in western Canada on grain and flour under the Crowsnest pass statute. Mr. Lloyd said at that time that, despite these

rates being low, they were highly profitable. A little later, Mr. Neal, who is now president of the Canadian Pacific Railway Company, said that he agreed substantially with everything that Mr. Lloyd said. He said that the Manitoba district, which runs from the head of the lakes to Broadview, Saskatchewan, was the most profitable district in the Dominion of Canada. He said that every comparison showed it to be nearest to the ideal. He also said that western Canada—that is the larger section from the lake head to the Pacific coast —was more favourable from a railwayman's point of view than the eastern part. He said that in the last four months of the year the Canadian Pacific Railway Company had moved fifty-two per cent of its total freight; that in those four months the earnings of the road were $26 million as against $15 million over the whole eight months before, and that this favourable factor was due to the western freight traffic which, as hon. members will understand, begins in the last four months of the year. He showed that the out-of-pocket expenses of the railway had been $52 million and the movement of revenue tons of freight for that amount of money had been 637,000, and that in September these revenue tons were increased two and a half times to a figure of 1,501,111 revenue tons, but the expenses went up only one million dollars. That was a case of the west paying dividends in a big way.

George Stephen, assistant freight traffic manager at that time, indicated that he was in agreement with all that had been said. From him it was learned that in 1925 the out-of-pocket railroad costs for the east were $31 million, and in the west they were $34 million; but for that difference of only $3 million there was a vastly greater amount handled in the west. For that slight difference in cost in the two sections he said they moved 8·7 billion tons in western Canada as against four billion tons in eastern Canada.

Mr. Symington also caused Mr. Stephen to show that the large net earnings over the years came from its profitable western business. The greatest proportion in earnings occurred in the last four months of 1921. Fifty per cent of the net came in the last four months. In 1922, sixty-one per cent came in that period; in the next year 65·8 per cent; in 1924 they got 59·5 per cent, and in 1925 they got 63·6 per cent. That is the story all down through the years as far as the figures carry. The earnings have been in the last four months by reason of western traffic. In other words, the west has been paying dividends in a big way over these years, despite the fact that costs have always been very much less in carrying that business. In a period of twenty years there were $240 million of net revenue obtained in eastern Canada and $500 million obtained in western Canada.

Not only is it a fact, according to these figures, that western Canada has kept the railroad going with net revenues, but in practically every department the cost of operations was less there. We have a great many geographical disadvantages, being a long distance from tidewater being perhaps the chief, but we do have one great advantage of flat country, greater ease of building a railroad, greater ease of operating a railroad, and that is the only advantage the prairies have. An increase in freight rates tends to take away that one advantage. If other parts of the country cannot support a railroad, and yet a railroad is needed there, there ought to be some more equitable way of seeing that the service is given, something more equitable than imposing costs upon us who are already much more than paying our way.

In 1927 the operating costs of the Manitoba district were less than anywhere else. Mr. Lloyd said that the density of traffic out there was greater than anywhere else and that tended to reduce costs. That has always increased in favour of the west from that day on. He said that the average tons of revenue freight per loaded car mile and average tons per train mile, and the average haul were all factors more favourable in the west than in the east. He said that loadings were heavier and the average length of the train greater. Since that day, the length of the freight train has greatly increased. I know that of my own knowledge. I see trains going by now with a hundred cars. That is much more than in the years that I have mentioned. Even one hundred empty cars then was a very unusual train. The trains I see going by now are made up of cars, not of 30-ton or 40-ton capacity, but of 50-ton capacity. It is a common thing to see a hundred of them. That is the situation in western Canada. The disparity of the 1920's is greater still today. At that time the average train in western Canada consisted of 48·02 cars and, in eastern Canada, 29·20. That situation has obtained all through the years except—

Mr. SMITH (Calgary West): Does that cover the mountain section?

Mr. MAYBANK: The greater of the two figures I gave covers the Manitoba division. It would be somewhat less if you take in Calgary West. My recollection is—I am speaking now from memory only—that, over the

whole, the average of western Canada was about thirty-nine as against twenty-nine in the east.

Mr. REID: It would obtain on the Canadian National all the way through.

Mr. MAYBANK: I appreciate that on the Canadian National there might not be any change at all because the gradients are very much better. The witness whom I was quoting was Mr. George Stephen of the Canadian Pacific Railway Company. Naturally they would be Canadian Pacific Railway Company figures.

Mr. SMITH (Calgary West): Is somebody suggesting that they take trains over the Yellowhead pass as they do on the prairies?

Mr. REID: The grades on the Canadian National are the lowest of all Canada.

Mr. SMITH (Calgary West): I know that.

Mr. DEPUTY SPEAKER: Order.

Mr. MAYBANK: I did not get that last question, but even had I got it I might not have been able to answer it; in the second place, it may not have been desirable from the point of view of the time which would be involved in doing so.

Mr. SMITH (Calgary West): For which I am grateful.

Mr. MAYBANK: There is one thing about the hon. member for Calgary West; he is always very frank. When he desires to thank any person he always does it in such a nice way, and we all love him.

A further piece of evidence showed that there were 173,000,000 freight car miles for the year in Manitoba as against 99,000,000 in Ontario.

Now, then, I did remark somewhat earlier, and somebody questioned it, that the Canadian National was not to be taken as a criterion in rate making. I believe I can indicate to the house that that is so, and I believe it is generally accepted as being the case. I believe Mr. Vaughan admitted that not very long ago in a public address. I have a large number of clippings and I am quite sure that Mr. Vaughan's statement to that effect is among them, but anyway I am quite sure it is a fact. That railroad is made up of a considerable number of lines which were built for one reason or another, very often not for economic or financial reasons. One great stretch was built for purely political reasons in connection with confederation. A whole collection of lame ducks were all shoved together and called a system. All the debts were heaped up on the new organization; and everybody knows the fixed charges of the Canadian National Railways are far beyond the ability of the system to pay. If the Canadian National Railways were in the United States under the interstate commerce commission it would have been run through the wringer long ago.

Mr. JACKMAN: Your party does not agree with that.

Mr. MAYBANK: The Soo line of the Canadian Pacific was run through the wringer long ago and of course its fixed charges when it came out were nothing like what they were when it went in.

But if the Canadian National Railways were to be considered, the story its figures would tell as respects costs and revenue in western Canada as against those in eastern Canada would be substantially the same as that of the Canadian Pacific Railway. That railroad in 1927 handled twice as many gross tons and had twice the revenue traffic in the west as it had in the east. On one formula one might say, if it had twice as much traffic, it ought to have a cost of twice as much, but the fact is quite otherwise. The total cost in eastern Canada for a certain amount of traffic was $101,740,000 and the total cost in western Canada was $102,220,000. That is very close to an equation, although twice as much revenue traffic was handled in the west by the Canadian National as in the east. Superintendence costs in the west were only a little higher than in the east; dispatching costs were actually less; station employees were only a little higher in cost; yardmasters and clerks were actually less; yardmen and trainmen were just on a par. I have a statement which sets forth in figures actually what all these costs were; if the house would permit it, I would place it upon *Hansard,* since it would probably take too long to read.

Mr. DEPUTY SPEAKER: Has the hon. member the unanimous consent of the house to place the statement on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. DEPUTY SPEAKER: I must inform the hon. member that his time has expired.

An hon. MEMBER: Put the rest on *Hansard.*

Mr. CRUICKSHANK: The Canadian Pacific over there have been interrupting all the time.

Mr. MAYBANK: Mr. Speaker, I have no wish to impose on the house, but I should be glad of the opportunity to complete the record, if I may be allowed to do so.

Mr. DEPUTY SPEAKER: With the unanimous consent of the house the hon. member may continue for a few minutes.

Mr. MAYBANK: Thank you.

Mr. MacNICOL: He does not waste much time, so that we shall give him a little extra.

Mr. MAYBANK: The statement follows:

National railway handles twice as many gross tons or twice the traffic in the west as in the east. On one formula it ought to cost twice as much. Figures 1921 to 1925 are as follows, i.e., the aggregate in those years

	East	West
Superintendence	5,348,000	5,910,000
Dispatching	3,200,000	2,300,000
Station employees	26,000,000	27,000,000
Yardmasters and clerks	2,187,000	2,103,000
Yardmen and trainmen	7,600,000	7,058,000
Yard enginemen	5,000,000	4,000,000
Locomotives	8,380,000	6,000,000
Train enginemen	18,000,000	20,000,000
Engine house expense	6,700,000	7,300,000
Trainmen	19,325,000	20,549,000
Total	101,740,000	102,220,000

A system which allows of additional taxes being levied on a community which is so well paying its way at relatively low cost is not an equitable system. That is the point which I want to have well understood.

I should like now to comment, for just a few minutes, upon the necessity there has been tonight for me to use figures of 1927, which are as I remarked, stale figures. The only reason I have presented them to the house is my confidence that they still represent the situation, although they understate the case for western Canada. The reason one must use stale figures in dealing with the costs and revenues in various sections of the country is this. About the time the facts which I have presented to the house were obtained from the railway companies, the railway companies stopped keeping their books as they had been doing and began to keep them in such a way as would prevent them ever again from being able quickly to make such a disclosure. They found out that, if they kept their books in the manner in which they had been accustomed to keep them, the same use could be made out of their figures as Mr. Symington made of them in 1927. The Canadian National Railways, the Canadian Pacific Railway Company, and, I suppose, all other railroads, stopped keeping their books in such a way as quickly to give a break-down of their revenues and their costs. Consequently, as the years have gone on we have not been able to obtain the information we used to be able to obtain. I say that I do not look kindly upon the action of the Canadian National Railways in working out what looks to me like a scheme of that sort. It seems to me that the Canadian National railway system, owned as it is by all the people of Canada, should be prepared at all times to give that information. We of western Canada and of the maritimes are Canadians too. It is no part of the business of an organization like the Canadian National Railways, owned by the people of Canada, so to behave as to make it difficult for some of the provinces to learn just what the true situation is with reference to that railroad.

Mr. CHEVRIER: The hon. gentleman knows that the instructions are to give all the information?

Mr. MAYBANK: Yes, I know that, and the Minister of Transport has been very good in that respect. The Minister of Transport has indicated that it is the view of the government they ought to give all that information, and I believe instructions or suggestions to that effect have gone forward. I want to give him full credit for that. But giving the information when you are cross-examined is an altogether different thing from laying all the information out in a set of statistics year by year. The cross-examiner cannot begin to get the information in the way he wants it when he has to drag it out piecemeal in a hearing. My complaint is that they have not kept themselves ready at all times to give this information and that they have not filed it somewhere. Of course I cannot refer to the way in which they acted before the transport board in this hearing; but if you have a picture in your mind of one person dragging another along by the nose, you may perhaps not be far wrong if you label one the C.P.R. and the other the C.N.R.

Mr. SMITH (Calgary West): This is with unanimous consent. When is it going to end?

Mr. CRUICKSHANK: You can't take it.

Mr. MAYBANK: I think the C.N.R. is likewise to be criticized in its insistence upon haste just as the C.P.R. is in calling for haste. I am now referring to what has been said publicly at various meetings here and there all across the country.

Mr. JACKMAN: Five minutes.

Mr. MAYBANK: "We need money; quickly give it to us" is the railway approach to this whole question. I have no time to state the extent to which both railroads have improved their position in the last five years, but I know the Canadian Pacific Railway Company

over five or six years—let us say six years—had a net, after paying all their operating expenses, of $692 million; all they had to pay out of that were taxes and fixed charges, and some of those taxes would come back to them, being refundable. I know the shareholders' equity, if you might call it that, in the case of the Canadian National has greatly increased over the years. I say that, for the officials of these railroads to cry out for haste and that they are near death, is ridiculous, with such moneys as those either saved or put into capital improvements or something similar. They are not *in extremis* at all. Indeed, they are very much like the camel with a well-fattened hump. As everybody knows, the camel can live for quite a considerable time on his hump. There is no reason why there should be any such great speed.

Mr. JACKMAN: That is the dromedary to which the hon. member refers.

Mr. MAYBANK: I have said this much in reference—

Mr. JACKMAN: Time. You cannot go on forever.

Mr. MAYBANK: —to the general inequity there is at the present time in the freight structure. There is the fact that it has never been scientifically worked out at any time. I should like to remind the government that in the report of the Rowell-Sirois commission it was recommended that a full inquiry be made into this subject of our railway rate structure. I know that boards of trade of different places, including Edmonton, Calgary and other cities, together with large numbers of interested shippers, have made representations from time to time that there should be a general inquiry into the matter, with a view to working out an equitable system. So I suggest to the government that, no matter what may be the decision of the board of transport commissioners, the government should first suggest to the railroad which we own that increases should not be put into effect pending a further and fuller inquiry, and that the government should now begin to plan for such a general inquiry into the rate structure with a view to finally establishing a scientific system.

In closing, Mr. Speaker, I wish to thank you and the members of the house for having granted me extra time to conclude my remarks.

Mr. A. L. SMITH (Calgary West): In the beginning, Mr. Speaker, may I make the frank confession that, in rising to speak in this debate, what I am about to give is a sort of shot-gun speech, largely because of the speech, if I may dignify it by that name, to which I have just listened. I believe counsel for the Canadian National Railways has done very well, but I intend to come to that matter and deal with it in detail in a moment.

Before doing so, I wish to refer to one or two other matters. I am glad that the Minister of Mines and Resources (Mr. Glen) is now in the house, because one subject I want to mention is of particular interest to him, and when I have finished I am sure he will be my strongest supporter. You know, sir, when one takes part in the debate on the address, of necessity one's speech must be made of bits and pieces, because these great, broad subjects have been so well covered by the great orators on all sides of the house, and I do not intend to thresh any of the old straw they have left.

I turn first to something which geographically is local, but which I believe is of tremendous interest to the whole country. I am sorry my old friend the hon. member for Fort William (Mr. McIvor) is not in the house at the moment, because the other day I was so pleased at his reference to the amazing effort, achievement and accomplishment of Barbara Ann Scott. I have the good fortune to know that young woman, and the greater good fortune, perhaps, of having been rather a close friend of her mother and her late father who, as hon. members know, was badly shot up in the first great war and died still serving his country as secretary to the Department of Militia and Defence as it was then known. That incident—and "incident" is a poor expression for this girl's achievement—has done something for this country which perhaps we here at least do not appreciate sufficiently. It has turned interest to Canada with respect to winter games which otherwise we would never have had. My suggestion to the minister now is that, when the next Olympic games take place, two years from next year, Banff, on the eastern slope of the Rocky mountains, should be the site of the winter olympics.

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (Calgary West): Somone may say I must have had a good majority in Banff. I did, and I hope I always shall. The point I have in mind—and I have ample authority for what I am going to say—is that nowhere else in the world, Switzerland, Austria or anywhere else, are there snow conditions for skiing and all the other events of that type such as we have on the eastern slope of the mountains, right in the town of Banff, in our national park. And we own that place; the Dominion of Canada owns that park. No

private organization in the world is capable of staging the winter olympics. I have visited Lake Placid, where they had the winter games the last time they were held on this continent. It is not even comparable with Banff. The minister is a Scotsman, though perhaps not from the same place as the hon. member for New Westminster (Mr. Reid). I know Scotsmen vary, and I say to him: do not let us be afraid of a little bit of expense. I have learned that the construction of the bobsled run costs the most money. That rather surprised me, but it is the simple fact. Can you not conceive, Mr. Speaker, that if we could get those olympic games for this country, then the whole mountain area from Coleman clear up through Banff to Jasper would become a winter mecca for millions of people from whom—and I hate to put it on this basis—we would get revenue; dollars, United States dollars and all the other kinds of money people might have. The accommodation situation can be overcome. I am sorry the hon. member for Winnipeg South Centre (Mr. Maybank) is not here at present, because I wanted to talk to him about these railways, but the C.P.R. hotel could be kept open in the winter, and nowhere in the world could they do better. I have authority for this statement, and my authority is the hon. member for York West (Mr. Adamson) who, though perhaps the house may not know it, is one of the best known of international skiers. That is a simple fact; though I want you to observe, sir, that in speaking of him in that way I used the "k" pronunciation rather than the "h".

I leave that and come to something I wish to say to the Minister of Justice (Mr. Ilsley), and particularly to his predecessor in office. I think, in the appointment of judges we have embarked upon a procedure that drives at the whole integrity of our judicial system. I refer to the promotion of district, or as people in the east call them, county court judges to places on the supreme court bench. In Alberta three of the last four appointments were made in this way; it has been commenced in British Columbia, where two such appointments have been made, and now we have one in Saskatchewan. In all seriousness, I say that has made a politician of every district or county court judge in the whole of western Canada; that is what has been accomplished by that procedure. Let no one think I am saying one word against the men appointed. In my own province I know the three men well; they are excellent men and good lawyers. But the system is being attacked. If we are to do things like that and have promotions, let us elect them as they do in the state courts of the United States. But when we give a man a job on the bench, be it district or supreme court, let him know he has nothing more to expect anywhere, so that in probity and honour he will carry out his duties and we shall not have what I say is now the case, the suspicion that a man in a lower judicial position is seeking advancement for politicial reasons. That is all I wish to say on that point.

I now come to the business of freight rates, and I trust I may be as successful in skating around this thing as was the hon. member for Winnipeg South Centre. As a matter of fact, when it came to skating around those brittle edges, Barbara Ann Scott had nothing on him.

Let us look at this whole freight rates situation sensibly. But before I say anything more, may I say this: You, sir, and the house, will discount what I have to say in this regard. I have acted for both those railways in southern Alberta for over thirty years. I say that. And if, by that, you think I am prejudiced in my views, then I am afraid there is nothing I can do to help myself or to help you. But I intend to discuss something which ought not to have been raised here, and that is the advocacy of the C.N.R. position as opposed to that of the C.P.R., as outlined by the hon. member who preceded me. I act for both railways, and I think I therefore might be credited at least with fairness in what I have to say with respect to that.

Mr. MAYBANK: Rising to a point of order, I do not think the hon. member will object, but if there is any objection I will, of course, yield to him. My hon. friend, I am afraid, has misunderstood me. I did not intend to make a comparison of one with the other. I was only desiring to point out that, the nature of the two companies being different, one of them cannot be taken as a criterion in fixing rates. I did not mean to make any comparison between the two of them, either as to their excellence or otherwise. I do not know whether the hon. member thought I did. But I am sure he will be glad to have me point out that such was not the intention.

Mr. SMITH (Calgary West): May I say that I am glad of the interruption and the explanation given. But he began his speech by saying this, that the present application before the railway board was in fact a C.P.R. and not a C.N.R. application.

Mr. MAYBANK: No, I did not say that.

Mr. SMITH (Calgary West): It is quite untrue and thoroughly false.

Mr. DEPUTY SPEAKER: Order.

Mr. MAYBANK: I did not say that.

Mr. DEPUTY SPEAKER: I was not in the chair at the time the statement was made. But may I suggest to hon. members that any reference to the present application to the board of transport commissioners is entirely out of order, and if reference has been made it has been entirely irregular.

Yesterday I referred hon. members to the rules of the house. It is clear that the board of transport commissioners is a court of record, and that any reference to an application before a court of record, while the application is being heard, is out of order.

Mr. MAYBANK: Anyway, I did not say that.

Mr. SMITH (Calgary West): May I say this to Your Honour, that I bow to your ruling, but I hope, being the good lawyer that you are, you will bear in mind this fact, that the board of transport commissioners being a court of record, the only thing which may not be discussed is the evidence and argument used before that board. Beyond that, the house is certainly wide open to go.

Mr. CRUICKSHANK: We will support you in that.

Mr. SMITH (Calgary West): If I am wrong about that, I will bow to your ruling, sir, and I have no intention of discussing either the argument or the evidence heard before that court of record.

Mr. DEPUTY SPEAKER: I cannot make a ruling different from that I have already made, which is that any reference to the application now being made before the board of transport commissioners is out of order. A general discussion on freight rates is, of course, in order. A discussion as to the discrepancy between the rates charged in the east and those charged in the west would be in order. A discussion of freight rates, as they affect the general economic conditions in our country, would be in order. But a discussion here of what is taking place before the board of transport commissioners is definitely out of order.

Mr. SMITH (Calgary West): Then, sir, I think you force me into devious ways. I want to assure you that anything I say about freight rates is based purely on a suppositious case that some of us may have heard about, here or there.

However, dealing with this whole question of freight rates, to a large extent I want to agree with what was said by the hon. member who immediately preceded me. He said, in effect, that our whole freight rate structure just grew, like Topsy—and it did.

There is not any doubt about that. I know now that they use a new word, but the fact is that our whole structure is built on what the traffic will bear. It may be that I shall lose a couple of clients when I have finished this speech, but I intend to say what is in my mind.

For example, a couple of years ago I remember dealing with the Canadian National Railways with respect to freight points equally distant from Edmonton. One was Cadogan on the coal branch, and the other was Drumheller. I was acting for a labour union which was protesting about both express and freight rates to Cadogan. It will be remembered that between Edson and Cadogan there is no highway. There the rates were substantially two to one. The reason given was that there was truck competition to Drumheller, whereas there was no truck competition to Cadogan.

Let no one think for a moment I am attempting to destroy anything. That condition arose through necessities which developed from year to year. We all know the effect of the Panama canal. We all know that these people from British Columbia, who have been complaining, had their rates to Vancouver cut when the Panama canal was built. We all know that you can ship cheaper from here to Vancouver than you can to Calgary.

It seems to me the Spokane decision in the United States is one which might well be adopted. In effect, it says that there shall be no greater charge on any line of railway for a short haul than for a long haul. I believe, if we followed that, many of our difficulties would be cured. And when I say that I am far from saying that, if I were to ship from here to Prescott—is that on the main line?

An hon. MEMBER: No.

Mr. SMITH (Calgary West): Well, I do not see our whip at the present time. I do not say that if I ship on the main line for only a few miles, having regard to handling charges and the like, I should simply take the rate to Vancouver, divide it and, having in mind that Prescott is sixty-five miles from here, or whatever it is, that I should pay that part of the rate. That would be utterly silly.

But I go along with the hon. member for Winnipeg South Centre; and go a little farther and say that no railroad in Canada knows what it costs them to haul a ton of freight from that end of the room to this end, or from here to Toronto, or any other place.

This just arose through the development of a country; and the freight rate structure was built on that basis. The hon. member for Winnipeg South Centre told us about a great

man called H. J. Symington who is now out of railroading and is making flour and flying aeroplanes around the country. And he overlooked myself. I appeared before the board on one occasion in Ottawa. I was endeavouring to find out what it cost to haul a ton of coal from Drumheller, first to North Bay and, second, to Toronto. My experts were not very expert, and I was left almost alone in the picture. The C.N.R. brought a gentleman from the United States of America, and that was the first time I had ever heard anyone described as a railway cost accountant. There were only six of them in the world at that time, and they had all been produced by the interstate commerce commission of the United States. That same gentleman today is vice-president of the Canadian National Railways, an able executive and a very fine man. We decided that we would exchange brief's beforehand. Mr. Flintoft of the Canadian Pacific and Alistair Fraser for the Canadian National were acting, so I said, "Yes, we will exchange briefs." I saw my expert and he said, "We cannot exchange." I asked why and he said, "Because ours is all wrong." So I was kind of on my own when we got before the railway commission.

I want to point out how they found the cost of hauling a ton of coal from there to Toronto. In that cost I found something which I think is highly amusing. The hon. member for Winnipeg South Centre, who knows a good deal about railroading and who is an expert on the 1919 strike, tells me—and I was glad to have him do so—of the change in the tonnage of cars and in the loads that engines can now pull. The railroad said that they had to ship these cars back to Drumheller empty. That is quite true; that is not even arguable, because practically all cars, in any event over ninety per cent of them go back to Fort William empty. One of the charges they showed in making up their costs of hauling a ton of my poor Alberta coal was the extra shaking their steel bridges would get by hauling the empties back over them. That is what you get in cost accounting when you try to find out what it costs to move a ton of this or that from here to there.

I think they have made considerable advance in the United States in their effort to find a more scientific basis for the haulage of freight. I agree entirely with the hon. member in that. It seems to me that the time has come when we might have a complete revision. The railway board has not authority to do this and the last time it was tried by the parties appearing before the dominion cabinet. I will admit that in those days the cabinet ministers were not the hard-worked gentlemen they now are. They lived longer; in any event they seemed to get along. I remember the late Sidney B. Woods of Edmonton appeared for those of us out there, but what happened was that today you would have three ministers, and the next day you had three other ministers. There was no consistency or continuity ir the whole picture. I am not blaming the cabinet ministers at all, but we had no way of achieving that consistency or continuity.

I do not agree with the hon. member for Winnipeg South Centre when he said a moment ago that somebody had changed his method of bookkeeping to keep the facts from the Canadian people. I agree heartily with the Minister of Transport (Mr. Chevrier), who endeavoured to correct the hon. member with respect to that. Here is the picture in so far as freight is concerned in this supposititious case which I have in mind. A railway is asking for a 100 per cent increase in its freight rates. Obviously that has nothing to do with a case where they are asking for only thirty per cent, and so I am within Your Honour's ruling. Perhaps I am outside your ruling, well outside.

What are the simple facts of this whole story? Granting that the railroads were not profiteering before, they cannot continue, without some additional revenue to pay the tremendous increases in wages that have been granted. Let me say for railway labour that that was done without a strike; it was done without a lot of nonsense; it was arrived at more or less by agreement. The railroads cannot do that and carry on unless they were profiteering before. I know how unpopular it is for me or anyone else to say in this House of Commons that the railways need more money to carry on. But I do say it, and I say it because I believe it. I mean it, and anybody who does not like it can just adopt his own course because I am adopting mine.

Whether the railway is given a 100 per cent increase or any other percentage, in my supposititious case, I do not care, but I know it needs revenue to meet the extra expenses. I also know everyone who has spoken over here and there knows that what we need to be concerned about is not so much a small increase in the revenue as the equalization of freight rates. All of us from the west will agree with that, and I am certain that no one in Ontario—what do you call these provinces, the middle provinces?

An hon. MEMBER: The great provinces.

Mr. SMITH (Calgary West): Some one says "the great provinces". That may be so, but some of their sons are not nearly as great

as the provinces. I have never known the provinces of Ontario and Quebec to refuse to accept a fair proposition. I do not think you can go to one line and say, "You have earned so much money." We know that certain railway lines lose money and yet, for our economy and for the convenience of our people, we insist that the railroads operate those lines. Those of us who live in certain parts of the west know perfectly well that, while we may be dissatisfied with the service we get, the service we are getting is not a paying one. But being a dominion undertaking, being a country like Canada, the fat must go with the lean, and so we have that situation.

I am coming now to the Canadian National. May I say that I have not been only their counsel but their solicitor. I am not getting wealthy out of it, because I telephoned my office yesterday and found that last year I got $300 from one company and $11.20 from the other, and I think that was a disbursement. I just wanted to make my position plain. What we need is this: we should find out what revenue is necessary to carry on.

I am sure that every hon. member in this House of Commons will agree that we cannot have our railroads go broke. If they go, our whole economy is gone. There is no question about that. Let us be fair about this thing. Let us see if they need $2 or $10 or $10,000,000. Ten million is not very large. We ship that down to some of the coal mines in the district of the hon. member for Cape Breton South (Mr. Gillis) every year. No matter what it is, it is essential for our economy that they operate and operate profitably. May I agree with what has been said by my hon. friends to my left and by the hon. member for Winnipeg South Centre. We feel that we must pay our way, that we must keep these transportation systems operating, even though in a particular area it does not pay back all that the railroad puts in. We think we are entitled to equalization, and equalization will never be possible until we find the amount of revenue necessary for them to carry on.

The Canadian Pacific was the one who paid me $11.20.

An hon. MEMBER: They overpaid you.

Mr. SMITH (Calgary West): I think I had better find out what that was for. It must have been a disbursement, for I cannot imagine my working for as little as $11.20. What we need is equalization; let us be realistic about the matter. Let us realize that the railroads must have enough money to carry on. Let those of us who come from distant parts of the country, both the maritimes and in the west, suggest kindly but firmly that we think that, even though here you are meeting truck competition, you still should bear your share, and that we should not bear the unequal burden which has been so forcibly and plainly put by my hon. friend who preceded me and by hon. members to my left.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, the speech from the throne does not offend me, because I now realize that it was meant to be meaningless anyway. All that can be said about it is that it is a nebulous mass of verbiage with no content, a very poor legislative diet for the Canadian people. Its ineffectiveness can be surpassed only by the stand taken by the official opposition. whose intellectual bankruptcy has reached a point where they lack the faculty to disclose an alternative to the policies which they condemn.

This year has been described as year two of the atomic age, and in that respect highlights the fact that we are living in an age of rapid change and crises. The storm warnings stand out clear and sharp. The agreed decision of the official representatives of seventeen governments at the preparatory commission on world food proposals is that, unless the nations of the world undertake as part of their national policies a quick expansion in the production of food and goods, they will walk straight into a worse collapse than that of 1929 to 1932. The considered judgment of these representatives of seventeen governments, including those of the United Kingdom, the United States and Canada, is that, unless all nations increase consumption in an expanding economy, they are heading for a disaster greater than that of 1929 to 1932. In the face of this, how has the Liberal government reacted? Is it pressing and leading this country into what could be economically called a dynamic economy? Perhaps it might be best described in these words:

> Certainly that Liberalism which nearly a century ago moved men's hearts and minds towards ideas of freedom and social justice, towards the defence of ethical ideas and of trust in the people, has not died out. On the whole there is as much of the genuine product in the world today, perhaps more. But it has escaped from the bonds of party. It has entered into new forms and conceptions of human liberty on a world-wide scale. And nearly everywhere the parties that once embodied and expressed it, no longer do so adequately. Today, Liberal parties, if they exist at all, are fighting a rueful retreat which may not be their fault, but whatever the reason, the fact remains. There is a political moral in this and it would seem to be that in an ever-changing world parties which do not evolve new applications of their established principles find themselves superseded by those which do.

Those are the words of an editorial in the Ottawa *Citizen* of February 6, under the ironic caption "Splendid Isolation".

This position of the present government was further emphasized by the Minister of Agriculture (Mr. Gardiner) when he stated that, if capital did not industrialize the west, the people would. That, coming from a cabinet minister representing a responsible government, shows a lamentable lack of leadership in the age in which we are living, with the necessities that are staring us in the face. Yes, we must accept new principles to avert catastrophe. It is useless to speak of adequate old age pensions, adequate health insurance, and a planned immigration policy unless we revitalize our economy to show the people that we can have continually higher standards of living along with a large increase in population. The law of diminishing returns has so caught up with us that private capital will no longer take the risks necessary to develop our frontiers on the colossal scale necessary to maintain a dynamic economy. History has shown us time and time again that nations which settle back into a state of self-complacency are wiped out and obliterated by people who require more living room. This law of the jungle is still apparent in this world today; and all the plans of standardizing arms, establishing larger national defence organizations, et cetera, will be of no avail unless we can show that we are vital and alive by having a firm growing economy in which we have complete faith.

There was a time when this country was vital and alive. When I look back through the paper of 1910, I run across these headlines: "Telegraph Line to Stewart", "Railroad at Mile 45", "Sir Ernest Shackleton heads English Company to develop the falls of the Bulkley river for power project", "Company is ready to build road from Vancouver to Alaska and confers with Premier McBride", "Mining crews go into the Groundhog coal fields", and many similar ones.

No such headlines are in our paper today, but rather the very opposite. We live in fear of depression. The events of the past year or two should be a lesson to us. We read of terrific shortages in other countries caused by the crises of war or from the lack of development during the thirties. That could very well arise in this country in the immediate future, and yet no plans or no lead is given by the government of the day to avert this condition. We read that four million were unemployed in Great Britain because of a shortage of coal. We, too, have suffered from a shortage of coal just in the last year, but of course not in the same proportion. But a shortage could arise again and be of far more drastic proportions. In 1939 we spent $45·5 million on the import of coal from the United States, and in 1946 we spent $131·2 million on importing coal from the United States. Coal is the backbone of our industrial economy even yet. If our economy is to expand, the western regions must be industrialized, especially the west coast; yet the resources of coal, the very backbone of that industrialization programme, are being depleted to the vanishing point.

The Carroll commission on coal has this to say about the two main fields on Vancouver island:

> Mining has been carried on in the Nanaimo field for more than fifty years and most of the known available coal has been recovered. Recent investigations of the geological survey indicate that the reserves in the area are only sufficient to allow operations to continue at the current levels of production for from ten to fifteen years. This is confirmed by the estimates of reserves submitted by the Canadian collieries, Dunsmuir Limited. The mines in the Cumberland area have also been worked extensively and all easily available coal has been mined.

That is the position of coal mining in the two main fields on the Pacific coast. There are other fields open for development within 150 miles of tide-water and that coal is anthracite, the only anthracite in any quantity west of Pennsylvania. I am referring to the Groundhog coal field of central British Columbia.

Mr. G. S. Malloch spent some time in the Groundhog field during 1912, for the federal Department of Mines, and he made a report which can be found in the sessional papers of 1912: 26 to 26A, No. 19. On page 87 of this volume, under the heading "Character of the Coal", Mr. Malloch had this to say:

> The character of the coal differs essentially from any hitherto described. It is anthracite, non-coking, and contains exceptionally high percentage of moisture. In many cases, the coal has a resinous lustre which is usually found in lignitic coal, and very likely the high moisture produces this lustre.

While in the field, he investigated the properties of the Western Development Company, the British Columbia Anthracite Syndicate and the British Columbia Anthracite Company. These companies, at that time, had claims staked in this area. In this report he has detailed data on the various seams he investigated, width of seams, moisture content, ash, fixed carbon, et cetera. He also gives descriptions of the structural geology of the area, description of the coal out-croppings and a description of the routes which a railroad would have to take to enter the field.

In 1921, evidence was given before a special committee of the House of Commons at

Ottawa, named to inquire into the fuel supply of Canada. This evidence was given by Mr. J. G. Scott, an official of the B.C. Skeena Coal Company, controlling 34,000 acres of anthracite coal lands situated at Groundhog mountain, British Columbia, on the head waters of the Skeena river. In appealing for aid for the development of this coal field he had this to say at one point:

I think this is a national project which is well worth the attention of parliament and if it could be realized, and I am sure that it will be realized. I believe it will cause the reproduction in northern British Columbia of all such industries as are caused by or have resulted from the development of similar classes of coal in Pennsylvania.

There are three routes by which a railway may reach the field. First, a branch northward from Hazelton on the Canadian National Railways which would follow the valley of the Skeena river, a distance of about 150 miles. Second, a route for which an independent railway once had a charter, from the mouth of the Naas river on the Pacific coast a little north of Prince Rupert to the coal field, a distance of 180 miles. The dominion government voted a subsidy of $640,000 in 1912 to the company which was going to build a railway on this route. Third, an alternative line could be built from the Alice Arm or Stewart on the Portland canal, a distance that way of a little over 100 miles. These are the three routes by which this coal could be moved.

Mr. Scott, further in his evidence, pointed out that just prior to the 1914-18 war, he had correspondance with Lord Rhondda, the coal baron of Great Britain, about the Groundhog coal field. Lord Rhondda was so interested in this matter that he took an interest in the company, of which Mr. Scott was a member. With the outbreak of world war I, Lord Rhondda's interest was, of course, discontinued and he died shortly afterwards.

Mr. Scott, under questioning of Mr. Douglas, then a member of parliament for Cape Breton, revealed a report of a Mr. Gustav Grossman, a Pennsylvania engineer, who examined the field. Mr. Grossman had this to say:

During my visit to the Groundhog mountain coal field from May until October, 1912, for the purpose of investigating its economic value as far as an exhaustive superficial examination and inspection of its various exploration workings could disclose, I also examined among others, holdings of your syndicate. Without going into details as to geology, transportation facilities, et cetera, a general synopsis of the merits of your property may be given as follows, forty-seven sections, 30,080 acres, situated 56 degrees, 45 minutes north latitude and 128 degrees 15 minutes west longitude, in the west portion of the Groundhog mountain coal field, a considerable portion of which is favourably located, and containing coal seams of superior quality and of workable dimensions. Number of workable seams uncovered, six, with an aggregate thickness of 28 feet. Quality of the coal, anthracite, very bright and hard and of excellent steaming quality, comparing favourably with the Pennsylvania product.

Mr. Scott, further in his evidence stated:

No extraordinary or unusual engineering difficulties will be encountered in the opening up of this property, which should be capable of producing a large daily tonnage of a superior quality of fuel and I would consider the development of this group of coal claims an inviting business proposition which should be attractive to investors. There is no coal mine in the Dominion of Canada which is of the same or similar quality as this, either in physical or economic properties, and so far no such coal has been discovered in commercial quantities in the dominion. Practically speaking, there is no anthracite west of Pennsylvania in the United States. Judging by the amount of Pennsylvania anthracite that is used in the United States and Canada, it may readily be seen what a gap in the coal supply in the west will be filled by the opening of this field. The smokeless character of this coal should open for it a large market in the coastal cities, where the smoke nuisance is prohibited. Its cleanliness for household use and its steady burning properties should bring it into general use for domestic purposes. In illustrating the comparative importance of such an area as this, it may be stated that this area alone probably contains as much coal, possibly ten times as much, as is found in all the present known coal areas in the province of Nova Scotia.

Mr. Mackenzie, then member of parliament from Nova Scotia, had this to say on the latter's statement:

I am afraid that damns that report very badly. This is a hint to you that I am from Nova Scotia.

Mr. James McEvoy, geological and mining engineer, formerly a member of the staff of the geological survey of Ottawa, had this to say:

I have no doubt that a large market can be found for this coal and at good prices. The domestic market will be the most important at first and as the coal is practically smokeless and will not make dust and dirt all over a house, as the soft coals of the west invariably do, it will be self-advertising.

The quantity of coal in this great field has not been computed. Two experienced mining engineers who examined forty-seven square miles of the territory, owned by Quebec and London capitalists, estimated that on the 30,000 acres in question there were one billion, one hundred million tons of coal.

At the present time, all licences and leases have expired in this area. There are no existing alienations. Therefore a government which is increasingly becoming concerned with the lack of industrialization in the west could afford to survey this whole area for

development of its coal resources, as well as other resources that could be tied in with the development of the coal field of this area.

Our economy under present conditions consists of a series of economic islands, each functioning within itself, but deprived of its full measure of success, owing to the lack of a balanced over-all industrial policy. Instead of our economy expanding and developing toward the maximum self-sufficiency, we are drifting more and more toward becoming a colony of the United States. This tendency must be checked and I would urge the government, as one step away from this drift, to survey and open for development such resources as are found in the Groundhog coal field. It will save needless confusion and suffering when the time comes for us once again to wake ourselves from our lethargy.

This area, known as the Groundhog region, would be intersected by the highway from Hazelton to Whitehorse, which has caused so much international conjecture, in both military and civilian circles. This Hazelton project would give access and outlet to many billions of feet of merchantable spruce and hemlock and other timber suitable for lumber and also for mining props.

The coast range carries the same geological formation on its eastern flanks, as at the Premier mine above Stewart, on its western slope. There is room for and the probability of the discovery of several Premiers, as well as the coal field that I have mentioned, on these eastern flanks, which are at present inaccessible, or practically so. Laterals from the Hazelton route would give access and outlet. The benefits to the development of this area, both as to economic resources and means of transportation, would develop great industries on the coast, and the beneficial influence would be felt from Frisco to Vancouver to Nome.

The agricultural lands of the Naas river, with its soft, healthy climate, are eminently suitable for settlement. With mining and logging underway, there would be unlimited markets for all produce. This portion of road to the Yukon and Alaska, the Hazelton-Whitehorse project, is a big undertaking in itself, but it is a mere gateway to infinitely vaster possibilities.

On motion of Mr. Castleden the debate was adjourned.

CURLING

ANNOUNCEMENT OF WINNING OF CHAMPIONSHIP OF CANADA

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, before the house adjourns, may I be permitted to take just one minute. As a number of hon. members know, there have been taking place in the city of Saint John during this week games for the curling championship of Canada. The last game took place today. The championship was won by a young man and his associates from an important city in a great province in the great country of Canada. The winner was Mr. Jimmy Welsh of Deer Lodge club, Winnipeg. I may add that he was successful in winning nine victories out of nine games played.

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

Friday, March 7, 1947

The house met at three o'clock.

BARBARA ANN SCOTT

WOMEN'S WORLD FIGURE SKATING CHAMPIONSHIP —RESOLUTION OF GREETINGS AND GOOD WISHES

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, this morning it was suggested to me by the Prime Minister (Mr. Mackenzie King) that the house might be disposed to adopt a very simple resolution; I asked the leader of the opposition (Mr. Bracken) if he would be good enough to second it, and he has been kind enough to agree to do so. The resolution reads:

> That on this, the day of her arrival home in our capital city, the house extends its warmest greetings and good wishes to Barbara Ann Scott, who, by her great achievement in winning the world women's figure skating championship, has brought distinction to herself and honour to our country.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE: There are three simple elements involved, I think, and that is all I am going to say: first, our pride in her remarkable achievement and accomplishment; second, our best wishes for her future success, and third, despite the acclaim, the applause and the triumphs she may be accorded elsewhere, there is nothing so valuable as to have the record of this resolution in the free parliament of the country which is her native land and to which she has brought such lustre and renown.

Mr. JOHN BRACKEN (Leader of the Opposition): I am particularly happy to have the opportunity of seconding the resolution moved by the leader of the house. No statement more true has ever been made than that this victory by one of our own people has brought fame to Canada. I have seen many receptions to champions, both individuals and

teams in different lines of sport during the last thirty or forty years, but I have never seen one where the enthusiasm of youth so manifested itself as it has in connection with the winning of the women's world figure skating championship by Barbara Ann Scott.

It is no wonder her record in this sport is most remarkable. She started to skate at seven years of age. By persistence, regular practice and hard training she won first the junior Canadian championship, then the senior Canadian championship and then the North American championship. This year, by dint of iron discipline, she won the European title at Davos, Switzerland, and went on to win the world title at Stockholm. And now we are told she is planning to defend her North American title in this city at the end of this month, and next year will seek another world title at the Olympic games.

Her victory was not won by chance, or by a stroke of luck. It was won because she deserved to win. Whenever we think of perfection in sports we are taken back to the age of Pericles. I want to refer to one comment made at that time. Of all the civilizations of the past which shaped the course of history, none was more influential than that of Athens. Practically all our competitive events, from the throwing of the discus to the marathon race, had their origin in that ancient city twenty-five centuries ago. In that age character was associated with perfection of the human form. The ideal of that day was set by Pericles, when he said that the individual Athenian should have, if I may use his own words, "the power of adapting himself to the most varied forms of action with the utmost versatility of grace".

That is the standard of physical perfection Miss Scott must have set for herself. She was living up to that ancient tradition when she went to Stockholm and brought back the women's figure skating championship of the world. Her outstanding success cannot help but be an inspiration for all Canadian youth.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I am happy to associate myself and the group about me here with the motion moved by the leader of the house (Mr. Mackenzie) and seconded by the leader of the opposition (Mr. Bracken). It is a graceful tribute to a distinguished Canadian.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I wish to associate myself and the group I represent with the mover and the seconder of the motion before the house. To me the amazing thing about Miss Scott and her great achievement is that one so young would be willing to submit herself to the rigorous discipline necessary to attainment of the perfection or near perfection required to win a world's championship. It all goes to show what can be done if one is inspired by the ambition to reach a worth-while goal.

What a great Canada this would be if thousands of our young Canadians, perhaps equipped with just as much native ability as Miss Scott possesses, could be inspired to do their best, as Miss Scott has done. Certainly she has brought distinction to this land.

Hon. GROTE STIRLING (Yale): Mr. Speaker, Barbara Ann Scott is the daughter of one who for several years occupied the position of military secretary. Lieutenant Colonel Clyde R. Scott was military secretary to five ministers of national defence. He served them as he only could serve them. He earned their gratitude; and I ask that it be added to the record that this is the daughter of that great man.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, as one of the members from Barbara Ann Scott's home city and federal area I believe it would be proper for me to point out to hon. members and to the public at large the true and perfect emblem she is of modest, wholesome Canadian grace. May I say to hon. members that to exemplify this young, virile and growing nation none could have done better in a world competition than Barbara Ann Scott has done. I am sure, on this occasion, we all join in paying tribute to her, to her late illustrious father and to her esteemed mother.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, I am sure we are all proud of Barbara Ann Scott, and I share in the pride of our sex that she is the second Canadian woman this year to win a world championship. A few weeks ago Mrs. Kelsey, in a province not noted as a wheat growing province, won the world championship for the growing of wheat. This is indeed a hopeful sign. I hope that Barbara Ann Scott and her generation will take an interest not only in sports but in citizenship, and that some day half these benches will be occupied by the Barbara Ann Scotts of this country.

Mr. J. T. RICHARD (Ottawa East): Mr. Speaker, I have the rare privilege of numbering among my constituents the world's champion skater, Barbara Ann Scott. I was privileged to go to the train at noon today, and was very glad to be among those who were there to welcome her. In the name of my constituents and also in the names of my

friends here in "Little Chicago" the best corner of the house—we greet Barbara Ann Scott, who represents the finest in Canadian womanhood.

Motion agreed to.

BUSINESS OF THE HOUSE

MOTION TO GIVE PRECEDENCE TO GOVERNMENT BUSINESS

Right Hon. IAN A. MACKENZIE (for the Prime Minister) moved:

That, on Monday and Tuesday, March 10 and 11, instant, government notices of motion and government orders shall have precedence over all other business except the debate on the reply to the speech from the throne, and that on Wednesday, March 12, instant, and every sitting day thereafter until and including Friday, March 28, instant, government notices of motions and government orders shall have precedence over all other business except introduction of bills, questions and notices of motions for the production of papers, all notwithstanding anything contained in the resolution of this house on January 30.

Motion agreed to.

HOUSING

SHORTAGE OF FLOORING MATERIALS AT NELSON B.C.

On the orders of the day:

Mr. H. W. HERRIDGE (Kootenay West): I should like to ask a question of the parliamentary assistant to the Minister of Reconstruction and Supply (Mr. Howe). I have just received a telegram to the effect that a considerable number of war-time houses in the city of Nelson in my constituency cannot be completed because it is impossible to obtain flooring. Has the parliamentary assistant any information on the subject?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): The first intimation we had of any shortage of flooring in the war-time housing project at Nelson was received yesterday. An order has gone forward for this flooring, and I understand it will be shipped from Montreal on Monday.

ATOMIC ENERGY

REPORTED REMOVAL OF REFINERY FROM LOCATION AT PORT HOPE

On the orders of the day:

Mr. C. E. STEPHENSON (Durham): Mr. Speaker, I should like to ask a question of the Minister of Reconstruction and Supply (Mr. Howe). As the minister is not in the house, perhaps his parliamentary assistant would answer for him. An article appeared in the Toronto *Daily Star* of March 5 stating that the Port Hope refinery which made uranium for atomic bombs will be moved shortly, or some time in the future, to Deep River. Will the parliamentary assistant state whether this is true; if so, why is the plant to be removed?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): I have not a copy of the newspaper item, but if it contains what the hon. member says it does—I have no doubt that it does—it is founded on rumour only, and is not supported by fact.

TAXATION AGREEMENTS

COST OF CARRYING OUT OFFERS MADE TO THE PROVINCES

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, may I ask the Minister of Finance if he has yet been able to make the calculation he said he had to make before answering the question I asked the day before yesterday?

Hon. DOUGLAS ABBOTT (Minister of Finance): I must offer my apologies to my hon. friend. I asked my officials to make the calculation, and I have knowledge that it has been made. But due to my defective memory I forgot to ask them to give it to me before I came to the house. I will give it to my hon. friend on Monday or Tuesday. I can give him an approximate figure now but I would rather give him the accurate figure.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, March 6, consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, the debate on the address has wended its weary way for a considerable period of time, and we are now approaching a vote on the amendments. The amendment moved by the leader of the opposition (Mr. Bracken) is couched in simple terms. It reads:

> We respectfully submit to Your Excellency that Your Excellency's present advisers do not possess the confidence of the country.

A subamendment has been moved by the hon. member for Rosetown-Biggar (Mr. Cold-

well) which to all intents and purposes is a motion for the establishment of socialism in this country. In the amendment of the leader of the opposition the question of confidence is placed clearly before every hon. member of this house. Every hon. member on this side, without regard to party considerations, has for varying reasons declared a lack of confidence in this government. In my submission, to declare lack of confidence without voting lack of confidence is to be inconsistent.

There may be some who will say that while they have no confidence in the government, neither have they confidence in His Majesty's opposition.

Some hon. MEMBERS: Hear, hear.

Mr. DIEFENBAKER: I am glad I have approval of one thing from the Minister of Veterans Affairs.

Mr. MACKENZIE: I did not say a word.

Mr. DIEFENBAKER: A little later I shall be saying something which will not gain that same degree of approval. The amendment of the leader of the opposition places clearly before the members of this house the situation of non-confidence. It does not mean the substitution of one government for another, because the Prime Minister has stated that if it is carried there will be an election. We at least know the situation, and we are asking all those who have no confidence in this government to support the amendment of the leader of the opposition.

I repeat that the amendment of the C.C.F. embraces nothing but the establishment of socialism. Anyone who believes in the maintenance of private enterprise to the maximum cannot support that amendment. The time has come when there should be an outspoken declaration in favour of freedom from unnecessary interference with private rights, private property and private industry by those who believe in the maintenance of private enterprise in this country. While the present government gives lip service to the maintenance of free enterprise, and in that regard it goes far, although it is only a matter of degree it does not go as far as the government of Saskatchewan which avows socialism. While the members of the government profess to believe in private enterprise, the business men of this country have been pushed around, not only during the war but since, as though they were enemies of the state. Success on the part of the individual is becoming a subject of deprecation. To many bureaucrats a business man, however honest he may be, is an object of suspicion and in many cases a parasite to be denounced. The honest business man, no less than the farmer and the worker and other citizens, should be entitled to fair and equitable treatment.

I have no sympathy with wrongdoers or those who would exploit and take advantage of their brothers. but when we ask private enterprise to provide jobs we must at the earliest possible moment remove the controls which prevent business from doing that. The honest business man should be protected against attacks made maliciously and for the purpose of creating political capital. Canada has the right through her people to decide whether or not she shall become a socialist state. Canada cannot exist and prosper under a government which while it avows private enterprise is afflicted with a definite trend toward socialism.

Business will be responsible if it fails to discharge its duty and provide jobs. It is true that business must be supervised, but the spirit that called the peoples of the world to our shores, the spirit of adventure, of initiative and of courage, is the spirit that is needed, not the bureaucratic attitude which is encouraged and fostered by this government and which consists of penalizing business, denouncing it, catechizing it, frustrating it, overtaxing it and at the same time expecting it to provide jobs. The danger to our economic future lies in the fact that the business man, however honest, if harassed by snoopers will find that the incentive to expand and to produce has been destroyed by excessive taxation, unnecessary interference by bureaucracy and the maintenance of unfair and unjust controls.

While bureaucracy was not the creation of this government, it has been expanded by this government to the point where the bureaucrat has developed the psychology of an autocrat, independent by being above the courts. First the bureaucrat passes an order in council or a regulation. Then he decrees what shall be done under it. Then he prosecutes those who infringe it. Finally, having made a determination on the question behind closed doors, he denies the right of recourse to the courts. Canadians should no longer be required to dance like marionettes under the untrammelled control of bureaucrats appointed by and responsible only to this government.

Some will ask what difference there is between those who believe in private enterprise and those who believe in the socialist form of government. There is one similarity between this government and those who profess socialism in this country. Both operate under and through the instrumentality of a bureaucracy which carries out the will of the cabinet and which denies the right of appeal

to the courts on the part of those affected. In Saskatchewan—and the government of Saskatchewan is in no worse position in that regard than this government—compulsion has become the order of the day. Insurance must be taken out by all public institutions or by recipients of grants from the government in the government insurance company. Trappers must sell through government boards. Fishermen dispose of their catch through government agencies. In the lumber business the government is in competition with private business, and it has this advantage over them, that it does not have to pay taxes.

What about the government of this country preaching the doctrine of free enterprise and the rights of the individual? It enjoys monopoly control over wheat and rubber. It has extended its interests into shipping, air and land transportation, housing, mining, moving pictures and public information. How serious the trend is may be indicated by a return brought down in the legislature of Saskatchewan the other day in reply to a Liberal member who had asked the government how many crown corporations were operating in the province. The answer was: Twelve federal crown corporations, as against eight established by the government of Saskatchewan, under a socialist government. There is the situation in this country today.

Mr. TUCKER: Are you against the Bank of Canada? Are you against the industrial development bank? Are you against the wheat board? Why don't you say where you stand? Are you against the C.N.R. and Trans-Canada Air Lines?

Mr. GRAYDON: The hon. member for Rosthern (Mr. Tucker) is a super-socialist.

Mr. TUCKER: Answer the question.

Mr. DIEFENBAKER: Mr. Speaker, it is without reluctance that I answer my hon. friend. The Conservative government set up the Bank of Canada.

Mr. TUCKER: May I make this correction, on a point of order, Mr. Speaker?

Mr. SPEAKER: Order. I would remind hon. members that the member who has the floor should not be interrupted without his permission.

Mr. TUCKER: On a point of order, sir, the hon. member spoke of the Conservative government having set up the Bank of Canada. They set it up as a privately-owned institution.

Mr. SPEAKER: Order. The hon. member will please not interrupt the hon. member who has the floor, without his permission.

Mr. DIEFENBAKER: Mr. Speaker, do you count out time for this?—because I find that I never get much more than about twelve minutes out of my forty.

I do not wish to be understood as criticizing the civil service. Canada needs and has an efficient civil service. But Canada does not need and must fight against the type of bureaucracy that is today controlling this country. When a government which depends to be in favour of private enterprise goes as far as this government has gone in the matter of export controls and other legislation introduced at the present session, then private enterprise becomes merely a phantom, a dream, a nebulous memory.

The Progressive Conservative party demands the maintenance of freedom. It stands opposed to privilege. It stands opposed to a coercive society, but it believes in maintaining a maximum stimulus for the productive activity of the individual without permitting detriment to others. It believes that the individual is entitled to a fair reward and a fair return for what he does. It is opposed to monopoly, whether that monopoly be by private greed or under the principles of Marxism.

Mr. MITCHELL: You are talking like a Liberal now.

Mr. DIEFENBAKER: Like a Liberal used to be.

Mr. TUCKER: Like a Liberal of fifty years ago. You have just caught up with them.

Mr. DIEFENBAKER: It is difficult to understand my hon. friend, because the Minister of Agriculture (Mr. Gardiner) in his western tour made a statement—when he was in the house he said to the C.C.F.: "You are Liberals in a hurry," and now the hon. member for Rosthern says that he is a Liberal of fifty years ago.

Mr. TUCKER: No; I said you were.

Mr. DIEFENBAKER: We of the Progressive Conservative party take a stand for minimum interference by the government in business. We believe that the government exists for the purpose of preventing abuse, but that it is not a function of government to engage in competitive business. For these among other reasons we cannot support the subamendment of my hon. friends to the left.

Sometimes people ask me what is the difference between those who believe in Socialism and those who believe in Conservatism. The answer was given in the course of a speech delivered by the Right Hon. Anthony Eden at Blackpool, England, in October, 1946. With-

out any argument about the sincerity of those who have one belief or the other he pointed out the difference between the philosophy of Socialism and that of Conservatism, in these words:

> Socialism says to a man: "You are a unit in the state. Work hard for the state as the state thinks best and the state will provide you with what it thinks you should have." The Conservative party says: "You are an individual. Choose your own way of life and seek to develop to the full your own talents. If you do this and if you are prepared to accept the obligations that are essential to life in an ordered community then we regard it as the duty of the government to see that out of the fruits of your labour you can build a life of your own for yourself and your family and at the same time feel the satisfaction of sharing in the common purpose of a free society."

Then he went on to say:

> I call for a way of life for the people under which industry may prosper and men be free. Man should be the master of his environment, and not its slave. That is what freedom means. It is precisely in the conception of ownership that man achieves mastery over his environment. Upon the institution of property depends the fulfilment of individual personality and the maintenance of individual liberty.

Mr. CAMPBELL: Where is Anthony Eden now?

Mr. DIEFENBAKER: He went down fighting the battles. When he stood in the house near the chair in which the Clerk now sits there was nobody even to my left who asked: Where does Anthony Eden stand?

Mr. TUCKER: I thought the hon. member was a member of the Progressive Conservative party, not the Conservative party.

Mr. ROWE: The hon. member for Rosthern is not even progressive.

Mr. DIEFENBAKER: I now pass to another subject which I hope will be just as favourably accepted by my hon. friends opposite as were the remarks I have just made. I shall deal with the question of dominion-provincial relations only for the purpose of giving an opportunity to the Minister of Finance (Mr. Abbott) to clarify certain statements he has recently made.

In August, 1945, negotiations began on what was called a "scientific" proposal worked out by the experts under which each province was to receive a capital grant of $12 per capita in lieu of certain taxation rights subject to increases in the event of an increase in population, and also on the basis of gross national production. Then came the conference of April, 1946. By this time the federal government had arrived at a new figure of $15. The discussions throughout the conference centred around the minor taxes as the grant of $15 was all-inclusive. The Prime Minister (Mr. Mackenzie King) indicated that if the provinces wished to retain any of the minor taxes the amount thereof would have to be deducted from the grant.

On June 27, 1946, the Minister of Justice (Mr. Ilsley), then minister of finance, in his budget speech set out the situation whereby the grant was to remain at $15 per capita, to which was to be added a special 5 per cent corporation tax. The budget offer was duly accepted by certain provinces and agreements were signed. In November or December the premier of British Columbia, having held back, the matter was again up in the air. Finally in January a further offer was made under which a material increase and change was made in the offer of the federal government. The Winnipeg *Free Press* had this to say:

> The dominion has been compelled by the resistance of various provinces greatly to increase the price offered for these taxes. The taxation agreements of 1941 cost the dominion treasury annually $86·2 million. to this should be added $14·4 million statutory subsidies and $23·9 million collected by the provinces. The total is $124,900,000.

Then it goes on to say that the last offer—that is the January offer—was $100 million in excess of the original proposal of 1945. Gradually the dominion raised the amount as resistance continued. Finally in December of 1946 or January of 1947 the offer was $12.75 plus half the revenue collected in the province in 1941 for income and corporation taxes, plus statutory subsidies, together with the release of the gasoline tax. In May, 1946 the federal government took the position that it could not hand back the gasoline tax and could not pay statutory subsidies. What change took place during that period which permitted in December, 1946 or January, 1947, what could not be done in May, 1946? What happens to social security now? I should like to hear from the Minister of Finance (Mr. Abbott) in reference to this matter.

Under the original scheme, without taking into consideration health insurance, some $600 million was to be provided for. Having increased the amounts paid by way of rental, how much do the federal government intend to provide for in the matter of social security? Apparently they have changed their point of view. Having increased the amount given to the provinces they will require the provinces to take over a larger measure of social security than ever before. I have read the dominion-provincial correspondence since the budget was brought down in 1946 and I find that throughout the year the attitude of the

dominion was that social security measures to be provided by the federal government would remain the same. There was to be no change; the position in that regard was final and definite. I wish that the Minister of Finance were in his place, because I intend to ask a specific question. If all the provinces accept the new offer, how much more social security are they to be required to provide than they would have provided under the offers of June, 1946, and of August, 1945? Do any of the provinces who have signed today know to what extent they will be required to contribute more for social security than they would have contributed under the original agreements? The question is a simple one.

That there has been a change in the attitude of the government is revealed in a speech which the Minister of Finance delivered in Toronto on January 27 last. These were his words at that time:

> I wish to make it quite clear that I am not going to forecast tax policy for 1947 in advance of the budget. But I wish to make it equally clear that the over-all commitments of the dominion are not being increased. As a result of increased rental payments from the dominion, the provinces will be able to assume, and must expect to assume, a somewhat greater financial responsibility. The dominion government will be able correspondingly to reduce some of the burden it was prepared to assume for a public investment and social security programme.

What does this all add up to? The amount of the rental to the provinces was increased, but what are the provinces expected to provide in the way of additional social security measures because they have received that increase? As a matter of fact originally it was intended that the social security scheme would stand intact. In his several letters which are published in this document to which I have referred, the then minister of finance took the stand that social security proposals would not be changed; but the present Minister of Finance has said that there are changes; that the provinces will have to take over a larger measure of social security. Surely, sir, we in this house and the premiers of the various provinces have a right to know the extent to which, having accepted the additional rental in the December proposal, the provinces will be expected to add to the social security legislation which they have. Is the final offer a means by which the government gets out of its responsibility to bring in a larger, more comprehensive and more reasonable measure of old age pensions? There is some reason for the delay in the introduction of old age pensions legislation which is being continued under the order in council as an appendix to the omnibus bill.

Why is this issue not faced? Is it because the provinces are receiving an increased rental in return for the fields of taxation that they give up, and will be required therefore to take over a larger measure of old age pensions and other security measures? I should like to know what the Minister of Finance advised the premiers in this regard. It is difficult to know what passed between the provinces because, as one reads over these letters, one is struck by the fact that some of the provincial representatives were men of few words, and those few were sometimes capable of ambiguous interpretation. There I leave that matter, but I wish to find out what social security measures will have to be carried out by the provinces by reason of the increase.

Mr. TUCKER: Will the hon. gentleman permit a question? I want information.

Mr. GRAYDON: You need plenty.

Mr. TUCKER: Yes, on this I need a lot. What is the position of the hon. gentleman and his party in regard to Premier Drew? Do they support his position or not?

Mr. DIEFENBAKER: That is a good question—

Mr. GIBSON (Hamilton West): Answer it.

Mr. DIEFENBAKER:—but charity begins at home, and—

Mr. TUCKER: It is hard to answer it.

Mr. DIEFENBAKER: Oh, there is no difficulty about it. I am placing the government in a position to answer so that I in turn shall be in a position to know the degree to which—

Mr. TUCKER: Don't you know yet?

Mr. DIEFENBAKER: Surely, sir, my hon. friend can contain himself in silence. He is talking all the time in Saskatchewan.

Mr. GRAYDON: Who supports Tommy Douglas out there?

Mr. DIEFENBAKER: Having asked these questions, when I get an answer—because I am not going to be in the position of some of the premiers of the provinces who do not yet know whether they got a pig in a poke—as to the extent to which the original proposals on public investment and security legislation will be upheld by the federal government in accordance with its original offer, I will answer the question. Some of the provinces entered into agreement, with approval and found out later that somebody else had got a better deal, and then they came back for a second chance. The federal government having secured signatures of some provinces to the last agreements and the Minister of Finance having thereafter

made the declaration that the provinces will have to assume a larger share of social security, the provinces still do not know what they got, or what they have undertaken, or what their additional responsibilities for social security or public investment will be in the matter.

There is one other matter to which I wish to make reference. In the speech from the throne the following words appear:

My ministers are also following with interest the activities of the united nations with regard to the question of human rights and fundamental freedoms and the manner in which those obligations, accepted by all members of united nations, may best be implemented. It is the intention of the government to recommend the appointment of a select committee of members of both houses to consider and report upon these matters.

I do not wish on this occasion to discuss the arguments in favour of a national bill of rights for Canada. Last year when the matter was before the house the Minister of Veterans Affairs (Mr. Mackenzie) undertook to give consideration at this session to the introduction of a measure to ensure the preservation of the rights and constitutional freedoms of our people. The means adopted to that end is apparently the setting up of a committee from this house and the senate to discuss the terms of an international bill of rights. But what in common is there between an international bill of rights and a national bill of rights?

An international bill of rights must represent the consensus of some sixty nations with varying constitutional backgrounds and varying systems of government. What would be suitable in an international bill of rights would not meet the needs of the people of Canada, since we possess one of the highest forms of democracy in the world. An international bill of rights is being drafted at the present time; I believe the work has almost been completed under the chairmanship of Mrs. Franklin D. Roosevelt—

Mr. MARTIN: Just started.

Mr. DIEFENBAKER: Well, Canada is not one of the representatives.

Mr. MARTIN: Canada is certainly a member of the united nations.

Mr. DIEFENBAKER: There are eighteen members on the organization.

Mr. MARTIN: That is the committee. Canada is a member of the united nations.

Mr. DIEFENBAKER: I realize that perfectly well, but Canada has no representative on that committee.

Mr. MARTIN: Canada is a member of the united nations. My hon. friend knows it.

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: I can understand my hon. friend's position on a bill of rights, because last year he said that Canada did not need it, and the Minister of Veterans Affairs finally admitted that it did, so that there was slight cleavage there. I presume now that this is a means taken to prevent the people of this country from having a bill of rights of their own. This is a means taken to get around the need for a declaration of our constitutional freedoms in Canada.

Last year the argument was that it was not within the legislative competence of parliament to pass such a bill of rights, that it came within the purview of property and civil rights and as such was a matter of provincial jurisdiction. I would ask those who are interested in the problem to read the judgment of the Supreme Court of Canada in the Alberta statutes reference, which is cited in the Supreme Court of Canada reports, 1938, beginning at page 71. I may say that this reference was one respecting certain legislation passed by the government of Alberta which it was alleged had the effect of restricting the freedom of the press. When the matter came before the supreme court it was argued that the provinces had the right to interfere with freedom of the press, one of the fundamental freedoms under our democracy. It was argued that only the province could do that because primarily it concerned the matter of property and civil rights, and this is what Chief Justice Sir Lyman Duff said at page 133:

The right of public discussion is, of course, subject to legal restrictions; those based upon considerations of decency and public order, and others conceived for the protection of various private and public interests with which, for example, the laws of defamation and sedition are concerned.

Then he goes on:

We do not doubt that (in addition to the power of disallowance vested in the governor general) the parliament of Canada possesses authority to legislate for the protection of this right. That authority rests upon the principle that the powers requisite for the protection of the constitution itself arise by necessary implication from the British North America Act as a whole (Fort Frances Pulp & Paper Co. Ltd. v. Manitoba Free Press Co. Ltd.); and since the subject matter in relation to which the power is exercised is not exclusively a provincial matter, it is necessarily vested in parliament.

Then he goes on to say:

But this by no means exhausts the matter. Any attempt to abrogate this right of public debate or to suppress the traditional forms of the exercise of the right (in public meeting and through the press) would, in our opinion, be incompetent to the legislatures of the provinces, or to the legislature of any one of the provinces, as repugnant to the provisions of the British North America Act, by which the parliament of

Canada is established as the legislative organ of the people of Canada under the crown, and dominion legislation enacted pursuant to the legislative authority given by those provisions.

In other words under that authority the dominion has power to legislate in regard to the maintenance of the freedoms incident to the maintenance of our democracy, under the British North America Act. Having regard to what has taken place in recent years, I suggest that in this parliament, supported as the need is by a large majority of the press of this country, a committee should be established including members of the House of Commons and of the Senate, with representation from the provinces, to the end that through conference a bill of rights may be established which will assure the people of Canada their constitutional rights, and further assure that no government in future will ever be able to endanger those rights without the approval and consent of parliament.

You have indicated, Mr. Speaker, that my time is up.

Some hon. MEMBERS: Go ahead.

Mr. DIEFENBAKER: An international bill of rights cannot meet the needs of our people in Canada. It would be like a convoy the speed of which is regulated by the speed of the slowest ship. A bill of rights satisfactory to all the nations of the earth would provide for a lesser degree of freedom than Canadians have a right to expect. I may not have the opportunity of speaking to this matter on private members' day, because that is gradually being done away with, but I do make this appeal to the government. Let us consider this matter as members of parliament without regard to party considerations, and build the future of Canada upon the foundation of a declaration of our rights which will assure the maintenance of the priceless rights in which we believe and for the preservation of which ninety thousand Canadians gave their lives in two world wars.

Mr. L. O. BREITHAUPT (Waterloo North): Mr. Speaker, even at this late stage of the debate I wish to pay my compliments to the mover and seconder of the address. This may be customary, but it is none the less sincere. No doubt by this time the hon. member for Prince (Mr. MacNaught) will have had all his potatoes moved into the export market, and certainly the hon. member for Richelieu-Vercheres (Mr. Cournoyer) is rapidly becoming acquainted in this house, and is demonstrating to all hon. members that he is a worthy successor to that great Canadian, the late Hon. P. J. A. Cardin.

In an analysis of the speech from the throne and an interpretation of its legislative forecasts one definitely finds much in the way of encouragement. I believe there is justification for hoping that substantial reductions in taxation may be in the offing. In spite of the fact that no definite assurance is given in the speech from the throne itself it is entirely reasonable to infer that our amiable and agreeable Minister of Finance (Mr. Abbott) will have some good things to tell us in this connection in due course. A general reduction in taxes is surely in the cards. When one ponders the large and mounting government surplus and considers that the speech from the throne itself points out "that the estimates will disclose substantial and gratifying reductions in expenditure", surely something of this kind should be forthcoming.

That being so, Mr. Speaker, I wish to put in a strong plea for consideration of the just claims for a reduction in taxation of the oft overlooked and neglected so-called white collar group, which forms such a large part of our population and is such an important element in our democratic institutions. When it comes to raising money for the Red Cross, for crippled children, for community chests and all that sort of thing, no greater support is given than by this great group of which I speak. An analysis of the 1945 tax tables shows the total number of taxpayers to be 2,365,000 persons. Of these some 1,677,300 received $2,000 per annum or less, while 478,200 received from $2,000 to $3,000. In other words ninety per cent of all Canadian taxpayers were in the $3,000 and under bracket. To encourage this group I suggest an all-round reduction of taxes and further simplification of present methods enforced in their collection. The Minister of National Revenue (Mr. McCann), I may say, has made great progress in this direction, and it is to be hoped that further simplification will be achieved. I am sure we would all like to see some real progress made along these lines, which would permit those in this great group to retain a larger share of their income than has been possible during the war years.

Realistically speaking, incentive has been lacking for many to turn in their best work and to stay on the job. It is important not only that as many as possible should be employed, but also that those employed should be as productive as possible. This objective cannot be achieved as long as there is widespread uneasiness and bad feeling with regard to actual take-home pay. It seems quite evident that a reduction in personal income tax will lead more people in all groups to actually put their backs into their work, with a very

beneficial effect on production, and in the long run government revenues themselves would greatly benefit.

What applies to the individual also applies to business. Now that the war is over greater incentives for production and employment should be the order of the day. The excess profits tax may have been sound in war time, during the period of non-competitive business; but now, with the need for a greater volume of export trade, full production and full employment are more than ever essential to our welfare. So, not only should the excess profits tax be eliminated entirely, but the high personal income tax should be eliminated also. Two great exporting nations have already abandoned the excess profits tax, and I think it is high time Canada did the same—and I mean not for 1948, but for the current fiscal year, 1947.

It is to be hoped that in the budget speech of the minister its entire repeal for the current business year will be announced. If we are to compete in export markets so earnestly striven for by the Minister of Trade and Commerce (Mr. MacKinnon)—and I should say, so effectively—then certainly industry should no longer be fettered by this impost.

I wish to compliment members of the treasury board for the realistic approach they have taken in the matter of reduction of government expenditures in all departments. Their record, to date, is impressive, when one studies the estimates for the coming year. Where services are no longer necessary, I think every hon. member will agree that they should either be discontinued entirely or materially curtailed. We cannot reduce taxes on the one hand and maintain unnecessary services on the other.

I note with some concern, as most hon. members on this side must have done, that opposition members while advocating strict economy and reduction of taxes have not up to now, so far as I have seen, shown any marked tendency to assist the government in practising what they themselves preach. While I am a strong believer in bringing the tax structure down for all groups, so that greater incentive may result, I feel all Canadians should realize we cannot get anywhere unless we stay on the job.

I believe it was Benjamin Franklin who said:

> Friends and neighbours, the taxes are indeed very heavy, and if those laid on by the government were the only ones we had to pay, we might more easily discharge them, but we have many others and much more grievous to some of us. We are taxed twice as much by our idleness, three times as much by our pride and four times as much by our folly, and from these taxes the commissioners cannot ease or deliver us.

[Mr. Breithaupt.]

Obviously conditions have not changed much since Benjamin Franklin wrote this. To prosper we must humbly and wisely work, but most of all we must work.

As hon. members will agree, perhaps in this debate more than in any other a member is justified in referring as briefly as possible to the problems of his constituency. The riding of Waterloo North, which I have the honour to represent, is the one which first sent its most illustrious native son, our distinguished Prime Minister (Mr. Mackenzie King) to the house. It is most diversified, and contains more contented and happy people than any other riding in Canada.

Even so there are some problems which concern my people back home from time to time. With your consent I feel it is my duty to refer briefly to these, and at the same time perhaps suggest some remedies. My farmers are looking for some upward price adjustments. I was pleased to notice that one of these adjustments was made this week in respect of better cuts of beef. This will have the ultimate effect of returning a higher price to cattle producers and increasing the flow of livestock to market. By the same token I would like to see a reasonable upward adjustment made in butter prices, which would have the dual effect of encouraging dairy farmers in my riding as well as in other parts of Canada, and it would automatically also increase the supply for the benefit of all Canadians.

December 1946 statistics indicate that whereas manufactured goods have advanced 9·6 per cent since December, 1945, farm products have only advanced 5·4 per cent during the same period. This indicates some consideration might well be given to the request from farmers that butter and other farm commodity prices be reasonably adjusted.

Two other matters which are at present disturbing the agricultural section of my riding are the shortage of feed grains and farm labour. I am pleased to note that the Minister of Transport (Mr. Chevrier) has taken effective steps to provide a further supply of freight cars to relieve the former situation. I hope that so far as farm labour is concerned, actual conditions will be studied further by the government, and that the department of labour will take necessary steps to provide this very necessary labour.

There is no shortage of good living quarters on the farms in my riding. Therefore I hope that everything will be done that possibly can

be done to encourage young fellows to stay on the farms, where there are good farms and where, according to present statistics in agriculture, financial returns were really never greater than they are today.

Turning to industry for a minute; on behalf of the luggage industry I should like to suggest that now that the war is over luxury taxes be eliminated on luggage. Employment in this industry, while it has been at a high level, is now in grave danger of being seriously affected if early relief is not forthcoming. A large percentage of factories in Waterloo North employ female labour, particularly shirt and footwear factories. Income tax regulations regarding female married personnel have reacted very adversely and have still further accentuated serious shortages existing in shirts and shoes. It is to be hoped that in the forthcoming budget some adjustment can be made which would permit married women, where possible, to remain on the job if they so desire, and assist in necessary production at least until the shortages are alleviated. Every hon. member in the house must realize that what I have said, particularly with regard to shirts, is true. I do not believe there is a place in Ottawa today where one can buy a white shirt.

Now a word about wartime controls. It will be recalled that in the speech from the throne it was stated that the government planned to keep—

—only such price and commodity controls as may be required to protect consumers from a sudden and drastic rise in the cost of living and to ensure the fair distribution of essential goods and services which are in short supply.

At the same time it was also stated that—

—many of the controls and restrictions during and immediately after the war are no longer in existence; others have been considerably relaxed; controls over wages and salaries and over many prices and commodities have been removed; other controls are being removed in an orderly manner.

Just how well this job has been done is well illustrated in a recent Canadian press dispatch from Montreal:

Statistics show that over-all cost of living figures in Canada have increased less since 1937 than in 16 other nations surveyed. These were released by the International Labour Office.

Other hon. members besides myself will probably have vivid and bitter memories of what happened after the last war, how prices suddenly collapsed and we went through a wave of liquidation. Most people had nothing left but debts. Conditions existed such as this country had never seen. Many firms, through no fault of their own, went out of business and into bankruptcy. No one was happy. There was a general state of disorganization, uncertainty and unemployment. That is what we would like to avoid now, if we can. I believe the government has made the proper plans to avoid a recurrence of this condition. True, we on this side of the house are not perfect. Mistakes have been made by the wartime prices and trade board and by us all. To err is only human. I maintain however that our record of price control is very good. It is good in comparison with what happened a year or two after the last war, and it is good in comparison with what has been happening in the United States during the past year. There have been a number of press items recently telling of falling prices in the United States. From our point of view this is all to the good. The sooner and the farther they fall, the sooner our price controls can and should be done away with, without any sudden jump in prices here. People should not be misled by these newspaper stories into thinking that conditions are entirely satisfactory in the United States. I took the trouble to look up the latest figures on price movements in this country and in the United States since their price controls cracked wide open at the end of last June. I found that between that time and around the end of 1946 the average United States wholesale prices had gone up twenty-six per cent and their cost of living had gone up fourteen per cent. In the same time our wholesale prices and cost of living had each gone up only three per cent. In other words, United States prices have still a lot of falling to do before they are back in line with ours.

I certainly would not want to perpetuate controls or carry them on for one month beyond the time when they cease to be necessary. No one in his right senses would. However I am satisfied that Donald Gordon, chairman of the wartime prices and trade board, and his able staff have by and large done a very good job. May I say that it has been a thankless one in many quarters. They are still doing a good job. The government should be given the necessary powers to finish the job in an orderly and efficient manner as long as world shortages and dislocations exist. I have noted, as have other hon. members, that sometimes the biggest beneficiaries of the sound policy that the government set up in connection with price controls are the biggest belly-achers when it comes to giving anybody credit.

As I say, I think controls should be continued as long as world shortages exist. One thing is sure, if the present policies are con-

tinued any recession which might take place in the United States would not have as serious an effect here because of our relatively sounder position in which we are well cushioned against precipitate price declines across the border.

I wish to say a word at this time in connection with immigration. Canadians received with much interest the announcement made in the house a few weeks ago by the Minister of Mines and Resources (Mr. Glen) that immigration regulations had been relaxed to provide much needed labour for agriculture and Canada's basic industries. It is gratifying to know that, while this step is now being taken, further important changes and improvements in the immigration regulations are to follow. The minister's announcement was received with much relief by farmers in my riding and by basic industries throughout the country. There is a shortage of help in certain fields.

While I am on the subject of immigration, I should like to suggest that because of the importance of this portfolio in our present economy the minister in future should be known as the minister of immigration as well as the Minister of Mines and Resources. My constituents, and no doubt yours, Mr. Speaker, find it confusing when you tell them to get in touch with the Minister of Mines and Resources in connection with their immigration problems. This is just a little suggestion as I go along.

I wish to say just a brief word on dominion-provincial relations. I am not going to discuss this contentious question bit by bit or blow by blow because I do not know enough about it to be an authority to the extent to which some of my legal friends in this house are. But I do know that people throughout the country whom I have been in touch with, and particularly those in Ontario, feel that the time is not far distant when some satisfactory solution must be arrived at so that the people of our province—I can speak only for those of us who come from Ontario, but I imagine our friends from Quebec feel the same way—will not be faced in the near future with double taxation, provincial and federal.

May I say a few words about Canadian business. To listen to the hon. member for Lake Centre (Mr. Diefenbaker) it would appear that business generally and employment were suffering severely from the policies of this government. Personally I cannot subscribe to his theory of "cry havoc". I have gone to the trouble of looking up some independent statistics as well as those provided by the Department of Trade and Commerce, and at this point I should like to place them on the record. I am glad the hon. member for Lake Centre brought up this question because it ties right in with what I had prepared for delivery to this house during this debate. Sometimes when one listens to some of the political pessimists who are members of His Majesty's loyal opposition one is likely to become discouraged, sell Canada short and move out unless one knows the facts in connection with the actual state of the nation, but as a matter of fact Canada is one of the last countries in the world that anyone in his right senses would want to leave. In my opinion there is no better place in the world to live and work in than this same Canada of ours.

Here are some facts worth pondering which I obtained from the "Year End Review" issued by the Minister of Trade and Commerce (Mr. MacKinnon), Canada is now the third largest trading nation in the world. There are more people employed in industry now than at any time in the history of the country. Canada's exports during 1946 rose to a total value of $2,312 million, or more than two and a half times as great as the five year pre-war average from 1935 to 1939.

As convincing as these statements by the Minister of Trade and Commerce are, and in case some opposition members wish to have further information in connection with Canadian business conditions, I have pleasure in quoting from a neutral source, the report of the Bank of Nova Scotia, dated February 19, 1947, which states:

> All time records for construction contract awards were again broken in January for a further three per cent rise in the index.

A general year end review by the Canadian Bank of Commerce notes:

> Canada's present working force of nearly 5,000,000 exceeds by a million that of 1939, and not only have these million workers been absorbed; but nearly three-quarters of a million veterans and half a million war workers have required to be reestablished in peace-time occupations since the summer of 1945.
>
> Total sales of all retail stores during 1946 were almost fourteen per cent higher than in 1945.

What is the matter with business? I quote again:

> The first month of 1947 was generally the most active industrially since October, 1945, when of course, a considerable volume of war work was still in process. The bank's industrial activity index number rose in January to 152—

The 1937 figure is taken as 100.

> —the highest point for civilian goods ever reached.
>
> The twelve months under review, 1946, though irregular and not measuring up to all economic opportunities were, on the whole, the most active

in Canada's peace-time history. In fact, the production of certain commodities was greater than in some war years.

But that is not all. I have here another authority, the *Canadian Executives' Digest*, of February, 1947, published by the Thomas A. Edison Company of Canada, Limited, of Toronto, and coming out of Toronto it must be pretty good. Speaking of Canada's mineral production, it says:

> Value of mineral production of Canada in 1946 has been estimated at $493,840,000. The value for 1946 was $4,915,000 under that for 1945, but was higher than any peace-time year in history.

It has this to say of cheques cashed:

> Total value of cheques cashed in Canada in 1946 at $69·3 billions was greater than in other years, exceeding the previous 1945 high by 1·3 per cent, and 48 per cent higher than 1929 (culmination of the previous major economic cycle). The 1946 total was about two and a quarter times the 1938 figure.

And on newsprint it says this:

> Both from a production and financial point of view, the year 1946 will go down as the best to date in the history of the Canadian newsprint industry; all records were broken with a 4,143,392-ton production figure. The industry realized $300 millions gross revenue, it is reported.

Surely that is not an indication of bad business in Canada under government policy. It goes on to speak of radio manufacturing:

> In spite of shortages, the Radio Manufacturers Association of Canada production figures indicate that more radio receivers were produced in Canada in 1946 than in any previous twelve months in the history of the Canadian radio industry. If current production is maintained, a new annual record of 550,000 sets will be set.

Then it goes on to give the impressive record of car loadings:

> Loadings of railway revenue freight for the 52 weeks in 1946 at 3,681,699 cars were higher than for any of the war years and exceeded the 1945 total by 1·3 per cent, according to figures recently released.

Now I want to say a word about life insurance sales. Mr. Finlayson, dominion superintendent of insurance, informed me yesterday morning that new life insurance issued in Canada for the year 1946 broke all records. It reached the imposing figure of one and a half billion dollars, or half a billion dollars more than the sales for 1945, which I understand was the previous record year.

I think the review of Canadian business and employment conditions which I have just given provides proof positive that the country is far from going to the dogs under the Liberal administration of our great leader, the Prime Minister (Mr. Mackenzie King). I believe that those who are fair enough to take a realistic and politically unprejudiced viewpoint must admit in spite of themselves that an excellent job is being done by the government of the day, not a forty per cent job as was charged last night by my friend the hon. member for Vancouver-Burrard (Mr. Merritt). Surely he could not have meant what he said to be taken seriously.

I agree fully with the hon. member for Argenteuil (Mr. Heon), when he said in the house the other night that a general election under these circumstances is certainly not necessary. I wish to add on my own account that there can be no doubt that the Liberal party has delivered the goods as advertised in the brochure to which he referred and displayed, "Programme for Canada". I think we have lived up to the promises contained in that brochure, at least ninety-five per cent, and certainly, until any other party has anything better to offer this country, there is no need of going to the country. It would be a sheer waste of money; and the results after the next election, whenever it comes, will no doubt be a more emphatic mandate than ever to the Liberals to continue their good work.

I am voting, Mr. Speaker, against both amendments submitted by the right and left groups, and against any more that come in from them, and I am supporting the safe and sane middle-of-the-road policy of the government. I am voting for the main motion, to support the government.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, this afternoon will long be remembered by hon. members of this house. We were privileged to witness one of the most delightful spectacles of the session. To see the leader of the Liberal party in Saskatchewan on his feet defending government enterprise was indeed a treat, and I hope he keeps it up when he returns to his native province. To see the hon. member for Lake Centre (Mr. Diefenbaker) refusing to allow the Liberal party any credit for establishing perhaps one of the most useful and important of these government enterprises, the Bank of Canada, and insisting that the Tories be given credit for it, indeed marks a milestone in our political history.

My quarrel, however, is not with government enterprise but with the lack of government enterprise in implementing its promises to the old age pensioners of this country. The other day the Minister of National Defence (Mr. Claxton) gave us impressive figures of our contributions to the stricken countries of Europe and the part that Canada had played in winning the war. He pointed out that there was no such thing as partial participation in the war, that it was all-out participation or defeat. Canada has not been niggardly in her participation in relief

to the stricken countries of Europe and of the world, but I submit that in Canada, the government's price decontrol policy and its social security measures result in only a partial participation in social security. It is a policy that is responsible for untold anxiety, humiliation and actual suffering in thousands of cases for Canadians in the lower income brackets who are struggling unsuccessfully to make ends meet, and particularly those who are trying to survive on the miserable dole that we know as the old age pension.

Again I do not wish to belittle the war achievement. We are all proud of the part that Canada played in the war, and I am sure we are all proud of the figures quoted by the hon. member who has just taken his seat (Mr. Breithaupt). We do want to go on living in Canada, and it is because we believe that Canada could be much greater yet, greater in justice and mercy as well as in industrial output, that we believe that changes should be made. It all depends upon where you find yourself in Canada. It depends upon the particular income bracket in which you happen to operate. If you are a person who has extensive investments and are paying heavy income tax, you will not have much difficulty except with the Minister of Finance; but if you are trying to get along on a small fixed wage; if you are trying to live on a small annuity, if you are trying to exist on a pension for the blind or an old age pension, you will experience the greatest difficulty and humiliation. As the late Judge Emily Murphy said:

> There is only one thing worse than a guilty custom, and that is a guilty acquiescence.

That is why we must raise our voices in protest against the treatment of these dependent people.

The first recognition of rising living costs was made in 1943. Canada had been at war almost four years when the government saw fit to recognize this and make an adjustment in old age pension. On August 10, 1943, an order in council was passed authorizing the making of agreements with the provinces governing old age pensions. P.C. 6367 says in paragraph 1:

> Under war-time conditions it has become desirable and necessary to provide additional assistance to old age pensioners and blind pensioners.

This order allowed the pensioner to receive a special supplement not exceeding $5 a month, which brought the pension up to $25 instead of the original $20, and on the original basis, with the provinces bearing 25 per cent of the increase and the federal government putting up 75 per cent. Out of the original $20 the federal government had supplied $15. It now supplied $3.75 of the $5, so that actually the federal government has never and is not yet paying more than $18.75 a month for the support of these aged poor. Of course some provinces have done certain things, and I think they should be given credit for it. They have raised the individual pensions and provided medical services, drugs, hospitalization and other services. These provinces are to be commended because they have done so without assistance from this government. They have taken it out of their limited provincial budget; they have taken some measures to relieve the suffering of these aged poor. But we, the members of this federal house, have it within our power to do much more than the limited provincial legislatures of the country, and I hope that at this session we shall do something worthy of this country and this parliament.

The means test, still in effect, limits the income of old people in spite of the almost daily rise in the cost of living, and it has imposed untold hardship on these innocent people. Many old people have been able to take part-time employment. During all the years of the war there was a steady demand for all kinds of labour, skilled and unskilled, full and part-time. Old people found to their surprise, and learned to their sorrow, that a few dollars earned in honest and useful employment resulted in only one thing, in having their pension suspended by the inspector at the time of his next visit. This means that the government is guilty of a double crime, first of imposing compulsory poverty on this helpless and innocent group by limiting its contribution to only $225 a year, and second by denying any remedy to the individual and imposing a penalty if the pensioner sought to better his condition through his own effort.

Further the whole policy of the government in regard to old age pensions is a contradiction of its own avowed Liberal principle. In its proposals to the provinces on reconstruction on August, 1945, at page 27 the government sets out this policy. This comes under "Social Security," a brief on "Reconstruction, proposals of the government of Canada." Here is what the Liberal government said:

> The Economic Argument for Social Security.
>
> Reference has been made to the effect of large-scale social security measures on the economy of the country as a whole. This need not and should not be the prime consideration in adopting health and welfare legislation. But since this aspect of the problem has not received the attention that it merits, perhaps a further reference to it would be in order.
>
> During the war we have succeeded in establishing new high levels of employment. Our

national income has risen to record heights. Income and purchasing power have been more evenly distributed than ever before. This has resulted in an unprecedented increase in consumer demand.

During the war years we have been obliged to keep this consumer purchasing power under control as far as possible. But as scarcities disappear and wartime demand falls away, it becomes essential to encourage a freer use of consumer purchasing power in order to take up the slack that will otherwise develop. It is in this connection—namely, the maintenance of a high degree of consumer purchasing power—that large-scale social security measures can and do play an important role.

A significant volume of social security payments, flowing into the consumer spending stream, will stabilize the economy of the country as a whole and work against a fall in the national income. Social security payments therefore become, in these circumstances, a powerful weapon with which to ward off general economic depression.

Why then does the government hesitate to carry out its own policy? Speaking over the C.B.C. on January 29, 1947, the Minister of Agriculture (Mr. Gardiner) had this to say:

The Liberals are right when they say that profits which are not required in the business are not your money. They are the money of those who applied their labour to the natural resources of this country to produce wealth, and if you do not or cannot pay them out in wages, local taxes, widespread dividends—share or patronage—to provide services, then we must tax them from you.

The money so obtained must be redistributed through provincial payments to the areas from which the wealth came. Where local authorities cannot, as in the case of family allowances and old age pensions, make the distribution equitably, the dominion government must. Where local authorities cannot stabilize returns to primary producers of exportable products such as farm products, the dominion authority must. The Liberal party is opposed to state ownership and control of all the resources and machines of production but the Liberal party is also opposed to any authority within the state attempting to take unto itself the right to tax the labour of the masses for personal or corporate gain or aggrandizement.

The Liberal party going into this session challenges any of the opposition groups to name one social service which is not already provided for, directly, or proposed through provincial cooperation, which they would make effective if returned to office. The Liberal party challenges any opposition group to advocate that any social service provided for be taken away.

I challenge the Minister of Agriculture to deny that the pension provided is inadequate, shameful, and a contradiction of their avowed policy of redistribution of the national income on an equitable basis. It is useless for members of the government to say that we have provided for increased living costs through price control, subsidies, family allowances, cost of living bonus, and that we have the greatest social security programme in the world.

Canada's productive machinery and her ability to feed the suffering of other countries does not in any way excuse this government in its neglect of our own aged and suffering people. True, we are striving to attain better standards of nutrition, and I think the present Minister of National Defence (Mr. Claxton) did an excellent job as minister of national health and welfare. I think the programme of education carried on through lectures, films, publications and advertising releases of all kinds is a part, and a very important part, of a programme aimed at better health standards. The one disturbing aspect of this, and the thing which nullifies the effect, is the cost of food and the size of the pensioners' food budget. I hold in my hand the recommended programme for nutrition. In this booklet Canada's food rules read as follows:

These are the health-protective foods. Be sure you eat them every day in at least these amounts. (Use more if you can.)

Milk: Adults, one-half pint. Children, more than one pint. And some cheese as available.

Fruits: One serving of tomatoes daily, or of a citrus fruit, or of tomato or citrus fruit juices, and one serving of other fruits, canned or dried.

Vegetables: In addition to potatoes, of which you need one serving daily, two servings daily of vegetables, preferably leafy green, or yellow, and frequently raw.

Cereals and bread: One serving of a whole-grain cereal and four to six slices of Canada approved bread, brown or white.

Meat, fish, etc.: One serving a day of meat, fish or meat substitutes, liver, heart or kidney once a week.

At least three or four eggs a week.

Eat these foods first and then add other foods as you wish.

These are the basic essentials of an adequate diet, and I got a list of the costs of these items from my grocer at noon today. These are the things which people are supposed to eat, as set out by our department of health, and these are the prices we have to pay for them:

For one raw tomato, 5 cents; orange, 5 cents; banana, 5 cents; carrots, 3 cents; rolled oats to cover the cereal, 2 cents; six slices of bread, 3 cents; one serving meat, 14 cents; one egg, 3 cents; one potato, 2 cents; one pint of milk, 9 cents; cheese, 5 cents. That adds up to 56 cents for a day or $3.92 a week, or $15.68 a month. If we are to take the advice of our department of health and welfare we should not spend more than 25 per cent of the budget on food, so that with food at today's prices we need more than $60 a month if we are to have any kind of adequate diet.

There is something else to which I wish to call the attention of hon. members. I think the greatest curse of this house is that we live in paper estimates and paper files. You want something and you send to the bureau of statistics; you want something else and you send to some other place. But if you want to know what it is like to live on $25 a month, go and see how an old age pensioner does it. If you want to know what it is like to find money for a room, or even to get a room, cut an advertisement out of your newspaper and telephone the people advertising. I did that today, and I can tell you it is difficult indeed to find a room where you have cooking privileges. Of fifteen rooms I found listed in today's paper, do you know what the rents are? Fifteen dollars a month for the lowest, and $32 for the highest, and one had grill privileges while another gave you the privilege of using the kitchen.

Where are our people to live? A single room is the cheapest accommodation there is, and if one tries to get a suite or an apartment or a house, the rents are of course much higher. The rents ran $15, $16, $17, $18; three at $20, one at $22, one at $25, one at $28; two with two rooms, one for $35 and the other for $42.

Where is the old age pensioner to sleep? If he eats according to Canada's food rules, the food which the minister's government in its wisdom advises people to eat, it will cost far more than the pensioner can afford to spend for that purpose, and still he has nowhere to stay. He has nothing to wear, he has not utensils to cook with, he has no bedding, he has no money for haircuts, no money for any of the things that make life half decent.

I advise hon. gentlemen again, as I did last year, to take $25 and try to live on it for a month. And let them try wearing cast-off clothes for a while and see what it feels like. Or they should try living as unwanted guests among relatives. If they really want to learn humility, let them go to an institution where old people are crowded together several in one room, where there is no consideration of the need for privacy, no consideration of the right of a person to be alone sometimes, or to have friends in or to entertain anyone. If all hon. members would do that, we would be amazed at the speed with which we could do something about the old age pension law. After a month of that we could put through $100 a month at the age of sixty, although I would not advise it.

Coming back to the inadequacy of food, here is one of those papers I referred to a while ago. This is statistical proof of the fact that the food dollar has shrunk. It is from the Department of Trade and Commerce and is as of this week. In it the Department of Trade and Commerce tells us that prices of food have advanced, from the base of 1935-39, 47 points. That is to say, taking the outbreak of war as 100, the food index stands at 147, which means that the food dollar has been cut in half, so that the old age pension buys a little more than half what it did in 1939 when the war broke out.

We who talk about our financial statements and industrial output from our factories and granaries, and of our kindness to the suffering in other countries, are still contributing only $18.75 a month from the treasury of the nation to our old age pensioners.

Some hon. members last year had the privilege of listening to Doctor Tisdall, and I wish all hon. members had taken advantage of his excellent address on nutrition. Those who were present will remember he told us that he had been responsible for the nutritional aspects of the rations of the Royal Canadian Air Force. It will be recalled that he told us about experiments in feeding Canadian flyers. He said that the original ration of milk was 10 ounces a day, which was considered not bad. The men however were having difficulty with their eyesight. The glare of the sun over the Atlantic was giving almost every flyer eye trouble. All the men had this difficulty, so they considered it a normal condition. Eye strain was regarded as part of a flyer's bad luck. After a while however they tried an experiment in the use of milk and obtained the most surprising results. I am going to quote Dr. Tisdall. I will give his own words, which will be found in this book, which I hope all hon. members will consult when they get back to their offices. It is an excellent publication called "Health" and in the September-October issue will be found the article to which I refer. This is what he says:

> We gave them additional riboflavin and, inside of two months, the vast majority of these men had such a marked improvement in their eyes that it wasn't necessary to take photographs to see the difference. They said themselves they could see better, and one of the publicity boys found that just at that time the number of submarines sunk increased very markedly. Of course, it could not be published.

He refers to the need for milk in the diet, and he has this to say:

> We believe that riboflavin is most important for health and unless you take a reasonably good amount of milk—at least a pint a day—you cannot get enough riboflavin. That is why the ration of milk for the Canadian armed services was increased from 10 ounces of milk a day to 20, the largest milk ration of any service in the world. Just a few months ago it was again increased to 24 ounces.

Then he tells of an interesting experiment carried on in Newfoundland by a group of scientists from Great Britain and the United States. We are all familiar with the very low incomes and nutritional levels common to Newfoundland. We are not so familiar with the physical results and the damage that poor feeding does to the human being. Doctor Tisdall said, referring to the survey made among the people of Newfoundland:

> One thing that struck us all was the early ageing of the people. Time and again the first few days one clinician would call another over to look at someone and say, "How old do you think this person is?" Time and again he would guess from fifty to sixty, and the person would be in his early thirties. Recently Doctor Sharman of New York has done a study in which he gave experimental animals a diet consisting of one-sixth whole milk powder and five-sixths wheat. He found that those getting a larger amount of milk retained their youthful appearance longer, retained their period of adult vitality longer, and prolonged their period of life by ten per cent. We saw the same thing in Newfoundland—early ageing—and their records indicate they don't live as long as we do here where we get more milk.

This article by Doctor Tisdall is just one of many appearing in the medical journals every month, pointing out that senility could be arrested and the useful and active period of a person's life could be extended if older people were able to enjoy proper nutritional standards. A meagre and inadequate diet, the only one possible under the old age pension, brings on premature senility and speeds up ageing. This, combined with the means test, which puts a penalty on activity and self-help, can only have one result—that is, a lowering of vitality, a sense of helplessness and frustration, and the hope for a speedy end to it all. You know, there are some who might say this was a definite attempt on the part of the government to save money, but I would not accuse the administration of deliberately planning to reduce the number of old age pensioners. I think it is the result of complacency and callousness rather than deliberate cruelty; nevertheless I submit it is cruelty and sheer social waste.

The government's policy in regard to milk has been met only in part by family allowances. The experiment with the flyers proved that milk could greatly improve vision. If this is true of a selected group, it becomes an established nutritional truth and milk becomes a national necessity for people of all ages, not just those under sixteen covered by the family allowance. If it is true that the use of milk can combat age and preserve youth and vitality, then milk becomes a national asset in building up the pool of goods and services which is the only real wealth of a country and the basis for all spending, private and public.

The removal of milk subsidies, effected in two stages, raised the price of milk to the consumer in Ontario and Quebec, where there is the heaviest concentration of population, from 10 cents to 15 cents a quart, and to a slightly lesser degree in other provinces. This jump from 10 cents to 15 cents in the cost to the consumer represents an increase in the cost of milk of 50 per cent. We are told by the department of health that every child must have a quart of milk a day. At 10 cents a quart thirty quarts, for thirty days, will cost the mother $3. At 15 cents a quart the mother can buy only twenty quarts for $3, so we have cut the monthly intake of the child by ten quarts, on the same expenditure of money. To that extent we have destroyed the chance of building good vision, resistance to disease and vitality, and we have shortened what might have been the life expectancy through the use of an adequate diet and the provision of milk for each child. If we are to choose between reducing the consumption of milk and the granting of income exemptions and other incentives to the corporations of Canada, it is a short-sighted choice on the part of the government to decide against the health of the Canadian people; and to say that we have covered the milk situation by the family allowances is just so much rubbish. The family allowance has been credited with being an umbrella over the head of the Canadian people to provide for education, health services, nutrition, crop failures and anything else brought forth by the imagination of the speaker on the stump at the moment. Again let me say that I am in favour of family allowances, but they are only a small part of over-all security and should be considered in the light of reality rather than as an excuse to avoid thinking about the people who are not covered by family allowances, and on whom they have no effect except that they must help pay the $260,000,000 voted this year to meet the expenditure.

I did not expect a government such as this, elected on the cry "defeat socialism" to bring in a policy such as the C.C.F. would institute; but the C.C.F. recognizes the practical value of the proposals set forth in the brief on reconstruction, and the validity of family allowance payments as a means of underwriting consumer spending in Canada. The C.C.F. programme, and the recent decision of the national council of the C.C.F. which met in January, would pay old age pensioners $50 a month, lower the age to

sixty-five years, and eliminate the means test. The national council also recommended the payment of invalidity supplements, cost of living supplements, and free medical, hospital, dental and optical care to old age pensioners.

What would it cost to do this? Well, the costs are worked out, too. The cost of the plan after 1948 would be $559,800,000. That is not such a staggering sum. To give a pension of $50 to all persons sixty-five years of age, and remove the means test, would merely be extending the principle now being followed in connection with family allowances. The family allowance payments this year will be made to all families in Canada, regardless of income, and the set-off will be taken care of under the income tax. That is, the payments will be considered as income, and all couples receiving more than $1,500 will be given family allowances and an additional exemption for each child. This we believe to be a sensible and sound arrangement and a useful technique from the standpoint of simplifying administration. To give $50 a month to all old age pensioners at the age of sixty-five would cost the government, it is estimated, $459,000,000 on the basis of the 1941 census; but this sum is $2,000,000,000 smaller than the amount we gave in mutual aid. According to the figures given by the Minister of National Defence appearing in *Hansard* of March 3, our mutual aid amounted to $2,471,000,000. If we take off the $2,000,000,000 and retain the $471,000,000, that is still more than we would pay out in one year to old age pensioners. True, it is more than we now pay in family allowances; but the payments made to children, while a very good investment, have no off-set in production or earnings. They are paid on behalf of dependents who are immature and incapable of adding to Canada's pool of goods and services. There is much that an adequately nourished population of sixty-five years and over could do and would be more than happy to do as part of the nation's work.

In closing I merely wish to say that the record of a nation must not be judged by its guns and tanks nor by its grain elevators, the value of its exports or its bank balances. The real test of a nation's character comes in its regard for moral values. That nation is greatest that has the greatest care for human life and welfare. Let us not only talk of mercy and justice in the international field. Let us be worthy of our great wealth and our great trust:

> For unto whomsoever much is given, of him shall be much required; and to whom men have committed much, of him they will ask the more.

[Mrs. Strum.]

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, it gives me great pleasure to follow the hon. member for Qu'Appelle (Mrs. Strum). She is worthy of the highest commendation for the eloquent way in which she has presented her case.

There is one matter which should be pointed out to all members of the house and all people of the country, and particularly to our C.C.F. and Progressive Conservative friends, and that is that there is no disagreement among the different parties as to what we want. Every heart in the house throbs in accord and in sympathy with every word the hon. member for Qu'Appelle has spoken. Any hon. member would have been happy to make that speech.

It is when we come to the question of how to finance all these things that the difference develops. I believe that matter should be faced sincerely and frankly by every hon. member. And I would appeal to hon. members of the C.C.F., when they are out talking to the people: For goodness sake, tell the people there is no difference between you and other hon. members in the house with respect to what you are aiming at. The whole question is as to how you are to get the money to do these things. That is the matter to bear in mind.

Technically, Mr. Speaker, we are now discussing the amendment offered by the C.C.F. as it is recorded at page 73 of *Hansard* for February 3, 1947. The essential passage of that amendment, I take it, is the one I now quote:

> And further that Your Excellency's advisers have failed to introduce comprehensive measures for the socialization of the financial institutions and monopolistic industries of the country, and thus have failed to plan the full and proper use of our natural resources and our currency and credit in such a way as to provide for full production and a rising standard of living for the Canadian people.

It will be noted by every member in the house that the assumption is made in the amendment that if the government nationalizes or socializes—whatever is meant by the expression—the financial institutions of the country, and the country's industry, then immediately we shall be at the beginning of the solution of our problems. To that stand I take a diametrically opposite view. That would not necessarily produce the results Canadians wish.

The immediate question with which we as members of the house are faced, is this: Shall we vote for this C.C.F. amendment? Should I, as one member in the house, vote for it?

Let us for a short time examine this C.C.F. amendment with some care. In the first place, may I point out to all concerned that it is next

to impossible to tell what the C.C.F. leader means by his amendment. It calls for the socialization of the financial institutions and monopolistic industries of the country.

What does he mean by the socialization of financial institutions? Does he mean government ownership, or does he mean the socialized use of those financial institutions? Right here may I point out that a great deal of confusion which is being talked and scattered throughout the country by C.C.F. people arises from the fact that they lead people to believe that what members of the C.C.F. have in mind is a sort of socialized use of the financial institutions, rather than government ownership; or, if when government ownership is accomplished, a plan that automatically entails the socialized use of financial institutions.

There is no justification for that propaganda at all. This kind of thing, as I have said, is contributing to the confusion in men's minds throughout the country. Does he mean what I have indicated, or does he mean government ownership together with a particular financial policy, a special method of employing the financial institutions? I submit that, unless there is a special method of employing those financial institutions, mere government ownership of financial institutions in this country will have no more beneficial effect on the economy of Canada than had the government ownership of the Bank of Canada—which amounted to practically nothing.

Mr. LOW: Utter futility.

Mr. BLACKMORE: That ought to be faced frankly. May I say this word now to my good friends of the C.C.F. I do not know of any group of people I honour more than I do C.C.F. people. At least they are aware that something has to be done, and they are sincere and earnest in their desire to do something which is necessary. They ought to be very careful to see that they are not barking up the wrong tree. I believe they will find they are, if they will examine carefully what is in the amendment and in the speech of the leader of the C.C.F.

Does he have in mind, for instance, a method of distribution through the financial institutions, a combination of techniques for the financing of consumption, something more or less closely resembling social credit proposals? Does he have that in mind?

In my constituency C.C.F. people have gone around saying, "We believe exactly the kind of thing that social crediters are advocating. Look at this, and this, and this, that we have moved." Well, why not be honest with everybody and make that quite clear in the amendment, so that we shall all know what we are talking about.

Or does the C.C.F. leader mean merely the government ownership of banks, with no effective change in policy? Who knows? Not an hon. member in the house, even including those of the C.C.F., can tell from reading the amendment what it means.

A change of ownership of the financial institutions, without certain fundamental changes in financial policy which would bring about financing consumption in this country, would be of no more value as an aid to the Canadian economy than was government ownership of the Bank of Canada.

Suitable fundamental changes of policy could be made without government ownership or socialization of financial institutions. This is the next important thing for every member in the house to keep in mind. It is not necessary for the government to have ownership of any of the financial institutions in order to bring about fundamental changes in the financial policy of the country which would enable the country to finance consumption. Let that clearly be remembered.

Mr. GILLIS: Explain.

Mr. BLACKMORE: I can explain it. However I have not the time to do so now.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: A lot of silly laughs come from the C.C.F. They ought to have sense enough to know, because they have been here long enough, that a member's time can be used up by things of that sort. I think that is what they want.

Mr. MacINNIS: Why take your time to criticize the C.C.F.?

Mr. BLACKMORE: I will take time later on to go right to the mat with the best C.C.F.'er in the group. I am ready for them. Social Crediters desire such fundamental change in financial policy as would make for distribution, or consumption, that is, the marketing of Canada's production of goods and services.

The C.C.F. amendment does not call for such fundamental change. It may imply it, in the minds of members of the C.C.F.; but, so far as other hon. members in the house are concerned, there is no way of being sure what it means. Social Crediters would look at that matter before they decided how they would vote.

What does the C.C.F. leader mean by the socialization of monopolistic industries? Does he mean government ownership of such indus-

tries? And what constitutes a monopolistic industry? Is it industry that has become a monopoly, or is tending to become a monopoly? There is nothing in the wording there to show whether he has in mind one that is a nation-wide monopoly or one that is a monopoly in a community, such as a dairy in a small town. As far as the wording is concerned, there is no indication at all. Does the C.C.F. amendment mean that the C.C.F. would have the government assume ownership of Canadian industry, even down to the dairy in a small town if that dairy happens to be supplying all the milk being used in that town? Social Crediters can see neither need for, nor any advantage that would be derived from, socializing industry. Social Crediters can see in government ownership and the socialization of industry a serious danger to Canadian prosperity and freedom. Therefore they will take that matter into careful consideration before deciding how they will vote.

C.C.F. speakers, like other socialists, contend and argue that private enterprise has failed. I turn now to a general discussion of the whole point of view the socialists seem to take in this regard. Almost every member of the C.C.F. who has risen to speak has said that private enterprise has failed. But has private enterprise failed? That is the question which the house should face, including all members of the C.C.F. as well as the Social Credit group.

To answer the question as to whether or not private enterprise has failed, we must consider several aspects of the economics of our day, nationally and internationally. Time forbids that I discuss the matter internationally, but I will give a little thought to it nationally. First, what is economics? Economics is the science and art of producing and distributing goods and services. I think all will agree with that. As I go on, my C.C.F. friends can decide whether or not they agree with the statements I make. I think there will be no disagreement on their part.

This means that the economy of a state such as Canada or the United States has two great functions to perform. First, it has to manage to have goods and services produced or obtained by trade. Second, it has to manage to have those goods and services consumed or distributed. I think we can all agree on that. It is very pleasant for us to agree; after we are working together on this thing we shall find out exactly where we disagree.

Production is the first thing to consider. If Canada's government brings about conditions in Canada so that Canadian farmers, fishermen, lumbermen, miners and manufacturers can and will produce enough food, clothing, shelter, educational services, cultural services, health services and other services to give each family in Canada, say $3,500 worth in a year, then the Canadian government thereby makes physically possible in that year a standard of living and prosperity equal to $3,500 per family. I think we all agree on that.

Consumption or the distribution of goods is the next consideration. If the Canadian government is able so to manage the Canadian economy that, after the $3,500 worth of goods and service per year for every family in the country have been produced, they can be got into the hands of those people so that those people can consume them, then the Canadian government has performed the function of distribution or consumption. The government may be held responsible for both of those functions today. Is there any disagreement by my hon. friends of the C.C.F. on that point?

It is our problem, first of all, to consider our economy from the point of view of production; then to consider our economy from the point of view of consumption. As we go on to consider private enterprise, let us see what bearing private enterprise has, first upon production and, second, upon consumption, so that we may see wherein it has or has not failed, either as a means of production or as a means of consumption. We shall then be considering this matter in a scientific sort of way, which I know the C.C.F. like to do.

It has been often said that mankind has solved the problem of production. I believe our C.C.F. friends will all agree with that. It is commonly suggested, and I believe it is accepted by them, that we have solved the problem of production in Canada and the United States. That has been done by private enterprise. There is no doubt in the world about that, because private enterprise is the system we have used up to the present time. Mankind must now solve the problem of consumption or distribution.

Private enterprise is being blamed largely because up to the present time it apparently has not been able to distribute goods. We shall have to examine the matter to see whether we have any right to expect private enterprise to distribute goods. That is the first point. Let us consider that frankly. Unquestionably production has succeeded; that is obvious. Consumption or distribution has more or less failed. Everyone agrees with that. I do not think the C.C.F. or anyone else will disagree with that point. What

we want to find out is why distribution has failed, why consumption has failed, what private enterprise has to do in each case and what to do in order to remedy the difficulty.

Where does private enterprise fit in? To what extent is private enterprise responsible for the success of mankind's production? To what extent is private enterprise to blame for the failure to distribute those goods? Let us try to clear away the confusion in men's minds as regards private enterprise. I myself have heard C.C.F. speakers—doubtless they were not speaking with party authority—point out the fallacies of our consumption system, and then say that therefore private enterprise has failed. In the light of the facts, such a conclusion is utter nonsense. That is merely blind people leading blind people farther astray. Let us see whether or not that is so.

Let us first try to define private enterprise. Funk and Wagnalls new standard dictionary defines enterprise as follows:

> The act of engaging, or the disposition to engage in difficult undertakings; boldness, energy, and invention exhibited in practical affairs, especially in business.

That is the definition of private enterprise. Have we any lack of that kind of thing in Canada? Are these splendid lads who are coming home from overseas manifesting any lack of initiative, boldness or courage in going into business? All you have to do is to come in contact with a few of them to know that they want to go into business. Many C.C.F. people have never taken the trouble to find out what private enterprise means. If it has failed it is because of conditions under which private concerns have made their efforts to carry on.

Will any one in this house argue seriously that in Canada there is any lack of boldness, energy and invention in attempting to establish and maintain practical business undertakings? I do not think the C.C.F. or anyone else will. There can be no doubt that there exist in Canada plenty of citizens ready and eager to undertake to produce goods such as wheat and other foods, or services such as trucking, flying, repairing and all other manner of services. The only deterrent these boys or girls run up against when they seek to go into business is: first, the question of security of tenure—are they going to be able to hold their jobs?; next, the adequacy of income, and, then, the opportunity to rise.

There is no lack of private enterprise. There is thus far no fault with private enterprise. It is a fact that there is a lack of security, but that has nothing in the world to do with private enterprise. There is a lack of surety of adequate income, which again has nothing to do with private enterprise. The lack of the opportunity to rise is only indirectly related to private enterprise. The adverse circumstances which face our people when they undertake to go into private business is a matter over which the government has the power to exercise control. If the government does not have that power, then the government should seek it.

To state that private enterprise in that sense has failed is to tell a falsehood—let any one challenge that statement—and to slander the splendid Canadian youth. Will any C.C.F. member attempt that? Or any other? In this sense private enterprise has not failed, is not failing and will not fail if it is given the ghost of a chance. The only difficulty is prices and markets and taxes, purely matters of government policy.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: There is a lot of laughing by silly, superficial people, but let me point out that these matters are important. The government has that power, and the C.C.F. have shown that they believe so, by rising in their places and declaiming against the government because it has not an adequate price and wage policy. Surely they realize that the government could have control over prices, markets and taxes. In other words, the government has responsibility for the conditions under which private enterprise must endeavour to make good.

If private enterprise fails, it is the fault of the government and of the government's financial system. Why not be honest and face up to that? Then we shall know where we are going. The fault is a matter of government financial policy. The financial policy of this government has failed miserably and despicably, and that is true also of the United States. It is not the fault particularly of the men occupying governmental positions but the fault of the outmoded, useless financial system under which they are trying to operate. Why not be frank and face up to that fact? I call on the Progressive Conservatives to face up to it. Why give the people the idea that if you were on the government benches you could make the old car run any better than the present government is doing? What nonsense! There is a species of dishonesty about this which must be cleared away. We must face the facts, find the ball and follow it through until we get a solution. Surely this house was sent here by a despairing, suffering people to find solutions, and not get up here and play politics.

But when the C.C.F. use the expression "private enterprise has failed" they appear to

have in mind private business, such as farms, sawmills, machine factories, textile mills, steel companies, coal companies. The C.C.F. do not seem to have in mind the desire on the part of Canadian youth to go into business, but rather they think of some business that is established. If I am wrong they can correct me. Very well. Let us consider these factories we have in Canada and of which we can be very proud. They are great, splendid, efficiently run concerns ready to produce in superabundance and in high quality almost everything that Canada needs.

In the first place, for an example of private enterprise let us fix our attention on a coal mine. A coal mine is a producer. Remember we have two functions to perform: we have to get production, and we have to get consumption. Can you hold a coal mine responsible for consumption? Its business was never to consume or to cause consumption, but to produce coal, and if it produces coal in sufficient quantities and of a high enough quality at a reasonable price it has succeeded. If there is any failure to distribute its product, that failure is to be attributed to the government and the government's financial policy and to no other possible factor. Let us get that perfectly straight. We can hold the coal company to blame if it fails to produce abundantly and economically goods of fine quality. But we have no right to blame the coal company for a failure of consumption of its goods. The coal company may lay off men; and for every man it turns off it destroys a certain amount of wages and a certain amount of consuming power, so that when the coal company turns off a man who is no longer needed and thereby economizes it is defeating the object of consumption. Let that be borne strictly in mind. The more efficient the coal company becomes as a producer, the less efficient it becomes as a distributor of consumer purchasing power.

One of the causes of confusion lies in the fact that the C.C.F. seem to blame the coal company because it does not distribute enough purchasing power to purchase the coal it produces. There could not be a more monstrous fallacy. Let us face up to it fairly and squarely. It is utterly absurd to blame the coal company for failure to distribute. It is just as absurd to blame the coal company for failure to distribute as it would be to blame a hen because it does not give milk or to blame a cow because it does not lay eggs. Hens were not made to produce milk and cows were not made to lay eggs, and a coal company was not made to distribute purchasing power. What purchasing power it does distribute is only incidental, accidental, and unavoidable or inevitable. It distributes just as little purchasing power as it possiblly can, and it has to do that in order to be efficient as a producer.

Let us bear in mind that industry is part of the productive mechanism of Canada, and not a part of the consumptive mechanism. The people of Canada and members of parliament must keep these two functions, production and consumption, constantly in mind; for otherwise disaster will face us, and frustration and misery, depression, and all the other ills which we fear so much will be our lot.

Consumption has to be taken care of by some other mechanism than by industry; it has to be taken care of by some sort of financial mechanism. The C.C.F. appear to commit the colossal blunder of blaming industry for failure of the consumptive mechanism of Canada, and because of the failure of that consumptive mechanism they say "private enterprise has failed." The leader of the C.C.F. party, in his speech on his amendment, talked of the failure of private enterprise to produce houses. What is the reason it cannot produce houses? It is that private enterprise knows from bitter experience that the more it puts money into housing, the greater its taxation will be; it does not matter a particle whether the houses are rented or not the taxation will still go on. The first thing you know the municipality will have the house. Is that giving private enterprise a fair deal? To blame private enterprise because houses are not built in this country is a monstrous species of dishonesty. We have to face the facts and be realistic in these matters.

Let us turn now to consider government ownership. It is proposed that the government should own this coal mine we have been talking about. Could the government, by taking over the coal mine, increase the production of coal? Second, could the government, by taking over the coal mine, increase the consumption of coal? If the answer must be "no" in both cases it must be obvious that the proposal that the government take over the coal mine is purely futile, if not mischievous. Would government ownership increase the productive capacity of the coal mine? It is very doubtful. The vast proportion of our private industries, when given a chance, produce magnificently, efficiently and in superb abundance goods of a very high quality, and no one is honest who will question that statement. If the government took over the coal mine it would not increase the production or quality of the coal. It might have

the very opposite effect. Government ownership as proposed by the C.C.F. amendment could not aid production.

Could it aid consumption? It is very doubtful if the taking over of the coal mine by the government would increase consumption. If the government were to increase consumption by taking over the coal mine it would have to put more money into it; it would have to put in two men to do the work of one.

An hon. MEMBER: Put in machinery.

Mr. BLACKMORE: The hon. member who suggests that without having thought it through fails to see that if the government put in machinery it would have to lay off a lot more men and thereby decrease consumption. That is quite obvious, is it not?

An hon. MEMBER: No.

Mr. BLACKMORE: It is obvious, is it not? If a government mine put in more machinery it would put men out of work. That would decrease consumption. The government, if it were to increase consumption through the coal company, would have to raise wages. Would a C.C.F. government propose to raise wages in a mine and thereby increase the cost of the coal? I hardly think so. No! The government, by taking over the coal industry, could not economically increase the consumption of coal by any means whatsoever. Therefore I think we would be safe in assuming that the proposal in the C.C.F. amendment that the government take over the means of production as a means of increasing either production or consumption is simply futile, will not do any good at all—and may do harm.

Let us come to the socialization of financial institutions. Let us assume that what is meant is government ownership of the banks. Probably our C.C.F. friends will not object to that. Why would they want to nationalize the banks? Banks are private enterprise. Would you nationalize them because they have not lent enough money to produce goods? Have the banks recently neglected to lend enough money to produce goods? How do you account for the fact that there has been such a tremendous increase in the production of goods whenever there has been purchasing power among the people? If the banks had not been willing to lend money would there have been such tremendous production in the past? There has been no recent refusal on the part of the banks to lend money for any sound enterprise, and surely a C.C.F. owned bank would not lend money on an unsound enterprise.

Mr. SMITH (Calgary West): I think you are wrong there.

Mr. BLACKMORE: Maybe they would, but they would soon repent. Have we the right to expect our banks to do any more than lend money for the production of goods? That is the point. The private banks are lending money necessary to produce goods. Have we the right to expect them to do any more than that? Banks lend money for production. Let us face facts. Inane remarks will not solve the problem at all. Let us get down to the facts. The banks lend money for production. Is that not right? Banks cannot lend money for consumption. How long would a bank last if it began to lend people money to buy goods like coal for consumption? It could not do so. Even a C.C.F. bank could not do that. Banks cannot give for consumption either. Imagine a bank which began to give to people who needed money; to old age pensioners and others! Imagine a bank in a community giving money for that purpose! How long would it last as a bank? You cannot expect banks to finance consumption. They were not made to do that.

Let us go back to the coal company illustration. If a bank lends money to that coal company on a suitable amount of interest and time, then the bank has discharged its function and cannot be said to have failed if we are to be honest and face up to the situation. Banks are part of the productive system. I think there is a lot of cloudy thinking abroad in this country on this point—many people and politicians imagine banks are part of the consumptive or distributing system. Banks are part of the productive system. If anyone can prove that is not so, let him do it. Banks lend money for production; they do not, they cannot issue money for consumption, only indirectly. That is true both in Canada and in the United States. What good then would government ownership of the banks do? How could government ownership of banks help in consumption? If private banks refuse to lend on unsound propositions, do you suppose the government would lend on such propositions? A government might be a bit more lenient but I doubt it very much. No government owned bank would or could give money for consumption. No banks could lend for consumption or give for consumption and keep it up.

Consumption might be financed through the Bank of Canada, but I just wonder whether the C.C.F. would so modify the policy of the Bank of Canada. If they would do so, they have never indicated their desire to do so by anything they have ever said in this house.

Now the Bank of Canada is already government owned. What would be the object in having it owned any farther? It is socialized far enough; the C.C.F. proposal would produce no improvement at all.

If the government desired to have the present privately owned banks lend on propositions that they are afraid to lend on, the government could remedy the matter by guaranteeing the banks' loan; it does not need to own the banks. If the government is not satisfied with the interest rates that the banks feel they are obliged to charge, the government can subsidize the banks and thereby lower the interest rate. There is no need at all for the government to own the banks. In connection with the socialization of banks, I must confess, and I believe every hon. member who faces the facts will agree that the C.C.F. proposal is simply utterly worthless as a means of solving the problem of consumption, which is the real problem facing Canada.

Let us turn for a few minutes to the tremendous success of private enterprise during the war. It is said that private enterprise failed. I will challenge anyone to prove that private enterprise has failed in any of the essentials for which private enterprise can be primarily held responsible. Let us see what happened during the war. I hold in my hand the Bank of Canada "Statistical Summary, 1946 Supplement". If one turns to page 64 he will see just what happened during the war—and remember private enterprise was carrying on in Canada all during the war! On page 64 we find a table headed: "Gross national product at market prices". The market prices were as follows: In 1938, $5·1 billion; in 1939, $5·5 billion; in 1941, $8·3 billion and, in 1942, $10·3 billion. In 1943 it was $11·1 billion; in 1944, $11·8 billion and, in 1945, $11·4 billion. If it be argued that private enterprise was failing to produce in 1938, what can be said of the same private enterprise in 1944 when production increased to $11·8 billion? Someone will say, "Oh, yes, but you are supporting private enterprise". What I am doing is supporting Canada. I am anxious to keep a system in Canada which will produce an abundance of goods.

Mr. MacINNIS: Will my hon. friend say that war is a part of private enterprise?

Mr. BLACKMORE: No, it is not.

[Mr. Blackmore.]

Mr. MacINNIS: That to which the hon. member referred took place during the war.

Mr. BLACKMORE: The war was something which came and which forced the government to adopt a change in its financial policy; that is all. It forced the government to buy the goods and distribute them. If the government had bought Canadian goods and distributed them in 1933 there would have been a tremendous output of goods just the same. That is the point. Should the government provide the money with which to buy the goods? That is the whole point.

What is the reason why we have had relative prosperity in 1946? What does the president of the Bank of Canada say? He says that the reason that we have been able to sell so successfully and have such a high degree of prosperity is that we have been lending abroad. He says we cannot continue to lend abroad to keep up our market. What are we to do when we no longer lend abroad and no longer buy the goods to send away? What is to happen then? Is private enterprise to be denied markets? If so, surely private enterprise will not be able to produce the goods and services. It will not be private enterprise then which will fail, but government policy, because it is the government's policy which will determine the purchasing power. That has been obvious during the last five or six years when there has resulted the tremendous increase of production in this country.

May I turn to the United States. I hold in my hand a book entitled "Tomorrow Without Fear", by Chester Bowles. He was head of the OPA in the United States. I think I am safe in saying that he is one of the best informed men in the United States. He gives some figures on what happened in that country. There was a situation there completely comparable with what was happening in Canada. Private enterprise prevailed there. At page 21 he says:

> Between 1923 and 1929 output per man-hour in the manufacturing industries increased by aproximately one-quarter—24 per cent, to be exact.

Private enterprise did that!

Mr. Speaker, I think my time has just about run out; therefore I shall give no more evidence to support what I was saying.

I will say that Canada as well as the United States needs a new system of distribution, a new system of finance. It needs debt-free money. This Social Credit group has contended for debt-free money ever since it came to the house. I submit to hon. members in the house it will surely be impossible to solve the problem which faces us, that of increasing consumption in the country, without debt-free

money—debt-free money in accordance with the amount of goods which can be produced in the country.

I warn the members of this house that if they do not work towards the adoption of some such proposal, then the country will go into depression and there will be only one group of people in Canada responsible and that will be the gentlemen who sit in this house on the other side.

The C.C.F. amendment offers no hint of a solution. I therefore intend to vote against it.

Mr. F. S. ZAPLITNY (Dauphin): I rise to speak because what I have to say bears on the amendment before the house, and I wish to discuss that before the vote is taken. I should like to refer specifically to that part of the amendment moved by my leader, namely, the first paragraph, which refers to price control and a planned economy:

> We respectfully submit, however, that in the opinion of this house Your Excellency's advisers have shown a readiness to return to the policies of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of pre-war years.

I realize there is a difference of opinion on the merits or otherwise of a planned economy, but I do not think there is any difference of opinion on the fact that, unless the government takes certain steps, there is great danger that we are going back on the road to depression and economic crisis. The words of the amendment I have quoted are that the government has shown a readiness to return to the system we had before the war, and in my opinion they are an understatement because the government has shown not only a readiness but almost an eagerness to get back to what some members here have called normal times.

In that connection I wish to refer to the speech made the other day by the member for Lincoln (Mr. Lockhart), in which he said, as reported at page 1060 of *Hansard:*

> For goodness sake, let us get back to normal. Let the law of supply and demand hold sway.

That is a statement of policy and I presume the members sitting around him concurred in what he said. If I had not thought so, then I would have thought so today after hearing the hon. member for Lake Centre (Mr. Diefenbaker) speak. The official opposition, the Progressive Conservative party, have definitely come out for what they call normal times, the doing away with controls, and the return to what they term free enterprise; and as the hon. member said, so long as these opinions are held sincerely and in all earnestness there is no reason why we should attack each other because of them, except to point out fallacies where they exist.

On the question of controls. and particularly price control, I think we should at this time try to hammer out a policy which is suitable to the nation, regardless of what our particular philosophies may be, and it would be valuable to go back a little and trace the history of controls as such to find out whether they are really of such a terrible nature as some people hold them up to be.

I have here an excerpt taken from the royal commission on price spreads, which, as hon. members know, was appointed during the administration of the Bennett government and which reported in this house in 1935. No one can say that that commission, which was first set up as a committee, was by any stretch of the imagination a socialist commission. The majority of the members of that commission were of the Conservative party of that time and, when they reported, they brought out some interesting statements which I should like to place on the record. I quote from page 248:

> At no time in history have economic activities ever been completely free from social control. For centuries its has been recognized that there must be some state mechanism for supervising contending economic rights and interests.

There is a statement by a commission which had gone into the question of price spreads, which had taken evidence, and which had eminent counsel to advise it. They came to the conclusion at that time that controls as such are a part of our present economic civilization, so to speak. They quote from another eminent economist. They say:

> As the great master of English classical economists, John Stuart Mill, whote in 1893 "that principle (laissez-faire) like other negative ones, has work to do yet, work mainly of a destroying kind; and I am glad to think it has strength left to finish that, after which it must soon expire . . ."

That was fifty-four years ago. John Stuart Mill at that time felt that laissez-faire, which he called a negative system, the system of allowing things to balance themselves or work themselves out, leaving full sway to the law of supply and demand, was needed in 1893 and a period of time after that, but in his opinion its work would soon be done and then it would have to expire. We find, more than half a century later, members of parliament rising in this house and saying in effect that we need more laissez-faire, that we need to have the law of supply and demand in full control and that we must get rid of government control. Surely, if we are going forward instead of backward, what was predicted half

a century ago as being of a temporary nature, something that must soon expire, a temporary expedient, cannot now be held to be anything progressive.

Mr. JACKMAN: John Stuart Mill might have changed his mind had he lived during the intervening years between the time he made his prediction and the present day.

Mr. ZAPLITNY: I would not be surprised to learn that a gentleman who does not now live could not change his mind, but I am surprised that people now living cannot change their minds. Let me go farther. Here is the most telling sentence in the whole report of the commission, to be found at page 249. I wish to emphasize that this was not a socialist commission. It was a commission set up by the government in 1934. I quote:

> Under present conditions, then, the question is not intervention or non-intervention but merely the nature and extent of intervention.

They came to the conclusion that the state must intervene where the interests of its citizens are at stake.

Mr. KUHL: They did not know much about Social Credit at that time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ZAPLITNY: When the house rose at six o'clock, Mr. Speaker, I was discussing the question of controls; and, if I remember correctly, I said it was no longer a question of whether or not we should have controls but rather a question of who should control, and for whose benefit. I believe it is quite well established now that whenever the interests of the people of this country are at stake the government which is charged with the responsibility of looking after those interests must intervene. In that regard I might refer to something said in this house the other day by the hon. member for Lincoln (Mr. Lockhart) in discussing the waste of man-power in connection with the wartime prices and trade board. The hon. member was quite incensed and indignant about it; perhaps his experience put him in that frame of mind. I looked up his words as reported at page 1060 of *Hansard*, and found that he advocated the use of a sawed-off shotgun to get rid of gentry of that kind. I do not believe anything so drastic is necessary; and while I am not here to defend any official of the wartime prices and trade board I would say that the gentlemen charged with the responsibility of administering price control in this country are only carrying out their duty. They are civil servants and are not responsible for the policies they are required to carry into effect. If any sawed-off shotguns are to be used I believe they might be more properly used on the people who pass the laws—not that I am suggesting this—because in my opinion it is useless to pour that kind of invective on people who are only endeavouring to carry out regulations which are laid down for them. I might also remind hon. members who talk in that way that the wartime prices and trade board was set up by this whole parliament; and, if I remember correctly, there was no opposition to it at that time.

Mr. GRAYDON: I do not remember its being set up by this parliament. I understood it was set up by order in council.

Mr. ZAPLITNY: This parliament gave the authority to set up such a board, and it amounts to the same thing.

Mr. GRAYDON: It is not the same thing, just in case that goes on the record.

Mr. ZAPLITNY: The point I wish to refer to particularly is the question of this waste of man-power. I agree that man-power should be conserved as much as possible and used as wisely as possible, but it is an open question whether putting a few hundred or a few thousand extra men at work in this country hewing down the forests or doing anything else would be of more value to the country than having a price control administration. I want to reinforce that statement by again quoting from the report of the price spreads commission, where they said:

> We are convinced that certain forms of intervention are likely to be less expensive than the wastes of goods and of life that (would result from) the collapse of our economic system.

In other words, it is a question whether we want an economic system which will work in the interests of all the people, or whether we are concerned only with dollars and cents. These days we hear a great deal about cutting down government expenditure. I say we would be making one of the greatest mistakes possible if we were to go on a spree or crusade of cutting down government expenditure on necessary projects at this time. It is not a question of how much it costs to administer a certain law or set of regulations. The question should be whether that law or those regulations are good or bad. If they are good for the country, no expenditure should be spared to see that they are justly and fairly administered. If they are not good for the country, then even one cent is too much to spend on them.

What is the present trend of the government? What I have said so far leads up to this question. Is the government taking the advice, in the matter of decontrol, of our hon. friends of the official opposition to my right? The government have a perfect right to take their advice if they wish, but in my opinion they should be very careful, because the line of action they have been following since January 1, 1946, in going ahead with their decontrol policy, has not been in the best interests of the Canadian people. It may be that my hon. friends to my right are quite sincere and quite convinced that what they are advocating is the right thing, but the best of intentions will not help if the results are such that the people of this country must suffer. Let me give an illustration of what I mean. It is easy enough for the official opposition to say the government must go ahead and decontrol as quickly as possible, but they are not in a position of responsibility, and the results of such a policy will not be their responsibility. I have before me a clipping from the Toronto *Globe and Mail*, dated March 7 of this year, and the heading is: "Liberals jittery when decontrol ups living cost." It goes on to make this interesting and pointed statement:

> Liberal party members are pressing on the cabinet the necessity of braking the price board's decontrol programme and continuing present subsidies for a longer period than is now contemplayed. Some of those who six months ago were chafing at the government bit and urging more rapid removal of controls are now getting worried at rising costs of living and suggesting that the line be held even if subsidies have to be increased rather than curtailed.

What does that add up to? It simply means that the wave of propaganda this country saw last year and the year before apparently had some effect upon the government and forced it to carry on decontrol before the country was ready for it. Unfortunately some of the rank and file members of the Liberal party fell for that line, too, and urged upon the government a programme of decontrol. Now apparently these same members, having found what it did to the cost of living, and having heard the reaction from their constituencies, from the housewives in their areas as to the cost of living today, are beginning to change their minds, are urging the opposite policy upon the government. That shows the danger of taking advice from those who have not positions of responsibility in that respect.

I want to go ahead from there and point out how a decontrol policy such as the government is carrying out, is affecting different parts of our population. Let us begin with the farmers. As has been so eloquently said on this side of the house, it is well known that the farmers of this country were carrying the load of price stabilization during the years of the war, and are continuing to carry that load.

The government has made a wheat contract, under which the farmers are to receive $1.35 a bushel up to 1950. Those farmers who are engaged in wheat farming are expected to live out of that $1.35, less what it costs to deliver the grain to the lakehead. The farmer knows now he will not receive any more than that, except what he might get out of participation certificates. The farmer has his income fixed; yet every day he picks up a newspaper, finds that the prices of the things he has to buy, manufactured products, are being decontrolled and going sky-high.

What will be the effect? What has been the effect? We have been told from different quarters of the house that the production of live stock, including hogs, has been decreasing. This is not because the farmer does not want to produce. Perhaps at the present time it is not even a matter of price. But if the farmer is to see his way clear to carry on the production of live stock, grain and other products for the next four years, then he must see some stabilization of prices of the things he has to buy. But there seems to be no prospect of that. The programme of the government is apparently one of a down-hill rush toward decontrol.

I state frankly that I am very much concerned and disturbed, however, by the trend which has been apparent since the new Minister of Finance (Mr. Abbott) has taken over. Very early in this session—or it might have been just before the session opened—I heard a speech over the radio by the Minister of Finance, when he addressed the Toronto board of trade. I tuned in after the minister had started, and was not sure as to who was speaking. But before he had gone very far I was quite sure that it must have been one of my hon. friends of the Progressive Conservative party who was talking about decontrol. And, judging from the applause he received from his good friends there he seemed to have won the hearts of at least some of them when he had finished.

I have great respect for his ability; but let me say to him that if in that speech, he won the hearts of some of the people in the board of trade of Toronto, I am afraid that by the same speech he did violence to any ambition he may have of being the next Prime Minister of Canada, because the people of this country are getting a rude awakening today. All one has to do is to talk to someone on the street or to the people who are riding up and down the country in railway trains. Talk with anyone of them and the conversation will be

about the increase in the cost of living. Today it is only a whisper; tomorrow it might be a gale, and then will come the hurricane. And the Minister of Finance will find himself caught in the vortex of that hurricane, because the people of this country are and always have been ahead of the government.

Today the people of Canada are beginning to see what will happen if the present policy of decontrol is followed any faster or farther along the lines it is now going. We are going to have a period of inflation such as we never had before.

When I mention inflation I should like to quote something that appeared in the Manitoba *Co-operator* of November 1, 1946. This is an interesting article by Edna Jaques, a well known author, and is entitled "I am Inflation.." She states:

"I am inflation."

Thousands of people never recognize me. True, I have an ugly mug but I disguise it under a thousand different forms of camouflage. Here is my favourite one, it always goes over big with the men.

More money to spend.

I chuckle every time I pull that one, it's old as the hills. I've been using it for hundreds of years. Every time there's a war I pull it out of the bag, and it works every time. The catch in it is that in war there are fewer civilian goods on the market and people are willing to pay more to get what they want.

From then on it's in the bag.

Then it goes on to give us a few reminders.

Remember after the last war when Canada's cost of living went to 192 per cent, in July, 1920.

Then she goes on to say:

In 1920 farmers were paying $8 to $12 for boots, $60 to $100 for a suit of clothes, $7 and over for a bag of flour and so on.

And so it goes on.

Mr. MITCHELL: Would my hon. friend go a step farther?

Mr. MacINNIS: Give him time.

Mr. MITCHELL: Just a minute; you fellows play both ends against the middle. Would my hon. friend go a step farther and say what the industrial worker paid for food in 1919 and 1920?

Mr. ZAPLITNY: Let me go on with what I am saying.

Mr. MITCHELL: You can't answer that.

Mr. ZAPLITNY: I do not propose to be diverted by that statement. It is not a question, and I do not see the purpose of it.

I was proceeding to quote further from the same article:

Since this war, plenty of people are working for all they're worth to run inflation up—but folks are scared of me. I'm the two-headed monster that broke the country after the last war when the bubble burst and deflation set in.

They'll never forget that I'm the two-headed monster that sent nearly ten thousand decent hard-working business men to the wall. I closed factories and shops from Halifax to Vancouver.

I made hoboes out of nice boys, while girls with university degrees were working as maids, anything to keep a roof over their heads.

It ends by a quotation from a practical farmer:

An old, weather-beaten farmer who had lived through four wars said, "It ain't the money we git that counts so much, it's what it will buy in return. A dollar ain't worth a cuss unless it will buy an honest dollar's worth of goods. That's the real measure of a dollar, son—the real measure."

That is just a mild reminder of what may happen if we go farther along the road the government has been travelling for the last thirteen or fourteen months. I want to warn the government that it is not only a matter of the cost of living going up; it will be more serious than that. During the past year we have had a certain amount of labour unrest. At the last session of parliament we had an interesting and, at times, a heated debate about strikes. Expressions have been voiced during the first part of this year, expressions of hope, that 1947 would be a no-strike year, and that we would have industrial peace, for once. But this is what the *Globe and Mail* has to say, in the same clipping to which I referred earlier:

Other members express serious alarm over the possible effect of rising prices on the labour situation in Canada. If prices can be held steady there is a good chance that the industrial picture this year will remain quiet, but with rising prices a repetition of last year's strike epidemic is considered inevitable.

This is the *Globe and Mail* speaking; this is not any rabid newspaper that may be considered radical or rabble-rousing. It is a good, staid Toronto paper warning the government not to take the advice of the official opposition in this house because, if they do, they will have an epidemic of strikes on their hands. My hon. friend asks me what we would expect from a Liberal paper. This is the Toronto *Globe and Mail*, and I imagine a Liberal paper would be just that much more to the point. It would be more willing to give advice.

That is the effect it will have on the farmers and workers of this country. But there are other people who will be affected, such as those who have fixed incomes like retired persons, railroad men for instance, old age pensioners and others of the type which could be included in the group sometimes referred to as the white-collar workers. These people have a more or less fixed income from

year to year. How will this trend affect them? They are not going to go on strike. Retired people and old age pensioners are not going to be able to force the government to give them more; they are going to have to take what they can get. The cost of living is rising so rapidly that a pension which might be considered good today will be a mere pittance in six weeks or a couple of months from now.

This is something to which the government should give careful consideration. There are two ways in which they can help these classes of people. First, they can give them a larger pension, or, second, they can give greater relief from income taxation or provide some other advantage of that sort. The cost of living could be kept down to a level where these people could live on what they are receiving. There is a large section of this country made up of forgotten people who have been overlooked in this scramble to raise prices and to get in on the ground floor.

How will it affect the war veteran? For several days we heard eloquent and excellent speeches on the Veterans Land Act and allied subjects. We were told how the veterans have not been able to build homes, how homes they have built have cost so much more than was expected.

While I am on the subject I should like to refer to something that looks like an election pamphlet, although it does not say so. It is put out by the national Liberal federation of Ottawa, and across the top in big letters it says, "New housing for the public." On the front is a picture of a man holding a house in his hands, and then it says, "Only $13.82 a month plus monthly taxes." It then goes on to say how much it will cost the veteran to build a house or to get a house under the new Liberal regime. It says that under the new social order in Canada an $8,000 house can be purchased under the Liberal housing plan for $35.42 a month. It says that a $2,000 house will cost only $10.52 a month. I am not going to impute any motives to the Liberal federation when they printed that pamphlet. I will give them the benefit of the doubt and say that perhaps they actually believed that they could do that at that time, which was only two years ago.

Since then we have heard in this chamber that a four-roomed house will rent for something like $70 a month. There is quite a difference between that figure and $10.52. All this in the short space of two years! Why? It is not because it was necessary; it is not because there was any urgency to remove these controls in order to get back to what are called normal times; it is because pressure was placed upon the government by interests who saw an opportunity to clean up fortunes during the inflationary period, regardless of what happens to the general public in the deflationary period which will follow and which will bring about so many casualties.

How will this affect the dairy and other farmers? I have here a clipping which shows what the government is prepared to do in the matter of removing subsidies. It points out that during the fiscal year the estimates will show a slash of $51,431,529 in the vote for the agricultural food board. This vote is being reduced from $53,000,000 to $2,000,000. How is this brought about? The fluid milk subsidy of $12,000,000 is being dropped. The concentrated milk subsidy of $2,000,000 is being dropped. The butter subsidy of $25,000,000 will expire on April 30, as will the cheese subsidy of $6,000,000, the bean subsidy of $1,250,000, the corn and tomatoes subsidy of $3,000,000 and the fruit for jam subsidy of $500,000. That is what appeared in the Ottawa *Journal* of March 5, 1947. Sharp price increases in all these things are expected when the subsidies expire at the end of April. I could go on down the line to show how the cost of living has been rising at an alarming rate, as a result of the decontrol policy of the present government.

I said a little while ago that there are people who are putting pressure on the government to take off the ceilings and to do away with controls. In my opinion this is a short-sighted policy, because it will eat up the purchasing power of the people at a much greater rate than it is being eaten up today or during the war. Then these people who expect to benefit from higher prices will find that there are no customers who have any money with which to buy their products at the higher prices. For this reason I feel it is important that the government should realize that they have gone too far down the road of decontrol. Not only should they stop, but in my opinion they should go back up the road a bit and reduce prices instead of just holding the line. I notice that in France they found it possible to reduce prices. Certain labour unions in this country have been advocating a reduction of ten per cent in the prices of manufactured goods. It can be done and, in my opinion, it will have to be done if we are to do justice to the farmer who is trying to farm with a price ceiling on his wheat.

I should like to refer to an incident that happened today, the reference by the hon. member for Lake Centre (Mr. Diefenbaker)

to certain things that are going on in this country. I was quite amazed to hear that the Liberal government had gone socialistic and that apparently the C.C.F. was having some effect on government policy. It does not look that way to me from where I sit, but perhaps the hon. member has a better vantage point. As I look across western Canada, especially from the great lakes west, I find that the very opposite seems to be the case.

If we start in British Columbia or in Manitoba we find that in those provinces it is not the C.C.F. and the Liberals who have formed a coalition, who are now locked in an embrace; it is the Conservatives and the Liberals who have formed a coalition. I am just pointing that out to show that the hon. member was pretty wide of the mark when he attempted to throw the C.C.F. and the Liberals in the same bag, so to speak, and call them all socialists.

We do not object to the Liberals going socialist; we do not object even to the Progressive Conservatives going socialist if they so please, but let us keep the record clear. If we go to other provinces in western Canada, such as Alberta, we find there again that the C.C.F. is the only opposition. On the other side of the house you have the Social Credit group and whatever independents may be there, or a small number of Liberals and Conservatives combined. There you have a situation quite different from what the hon. member tried to imply. In Saskatchewan, for example, there would probably be a coalition of Liberals and Conservatives. One-half of the coalition is missing, but that does not mean that they are not trying to get together, because, according to the *Star-Phoenix*:

> Regina, March 3 (CP).—A meeting of "representative citizens," including both Liberals and Progressive Conservatives, resolved at a week-end meeting here that "concerted action by all citizens is desirable to supplant the present C.C.F. government by a democratic one," it was announced today.

It goes on to say:

> Approximately 40 prominent Reginans met to form an organization with plans to support at the next provincial election, two candidates "who will uphold democratic principles."
>
> "The plan of the new movement is to work with existing political constituency associations in ousting the present C.C.F. government."

That looks a little strange in view of the shadow boxing today between the hon. member for Rosthern (Mr. Tucker) and the hon. member for Lake Centre (Mr. Diefenbaker). Apparently they should go back to Saskatchewan once in a while and see what their boys are doing. At another meeting to draw up a scheme for a united front against the C.C.F. government, one of the Liberals said, according to the *Star-Phoenix*:

> This is not a meeting of Liberals; it is a meeting of inferiority complexes.

He did not like the idea of the two old parties getting together to do nothing but grumble against the C.C.F. government.

The Progressive Conservative association also had a meeting, and the question which came up there was that of nominating only one candidate in the constituency of Regina at the next election. This question was referred to the executive, with power to act on the matter. Those are wide powers, as the hon. member for Lake Centre would say, to hand over to an executive, to determine whether a Liberal or a Conservative shall be the opposition candidate in Regina. In view of all this, I think a great deal, if not all of what the hon. member said today about a so-called socialist coalition between the Liberals and the C.C.F., can be discounted because it does not stand up to the facts.

Mr. LOW: On a question of privilege, Mr. Speaker, I wonder if I might ask the hon. member for Dauphin (Mr. Zaplitny), who has just taken his seat, a question, because he made a statement which I think should be clarified. Did the hon. member say that in Alberta the only opposition was the C.C.F.?

Mr. ZAPLITNY: The statement I made was that the only opposition to the Social Credit government in Alberta was the C.C.F., because all other parties were in practically the same bag.

Mr. LOW: I should like to correct that statement for the record. There are only two members of the C.C.F. and, if they are the only opposition, then there is none in Alberta.

Mr. MAURICE BOURGET (Levis): Mr. Speaker, I wish to avail myself of the opportunity provided by the debate on the address to discuss a few points which are of national import at present.

Before doing so, however, I would like to join previous speakers in warmly congratulating the mover (Mr. MacNaught) and the seconder (Mr. Cournoyer) of the address on the splendid manner in which they performed their duties.

(Translation):

A few of the measures advocated in the legislative programme mentioned in the throne speech appeal to me particularly. Representing as I do an urban constituency, peopled mainly by the working classes, I have considered it my duty, during the past seven years which have given me the opportunity of establishing

closer contact with them, to try to understand them better, to look into their needs and to analyse their claims.

If I have been helpful to them in any way, and if, through that cooperation, we have succeeded in obtaining for them certain privileges, I am most happy indeed. I can state that our workers, and especially those of the Quebec district who are better known to me, are conscientious and honest people—and it is to their credit—who, in their respective fields, want to cooperate with their employers in the development and the progress of Canada, that it may become a still greater country. They understand that they have rights to defend, but they are also aware that they have duties to fulfil. They will only be able to protect those rights by becoming members of the union of their choice, a union in which they will have confidence, and by choosing leaders who will prefer to protect the workers rather than indulge in politics. No party may claim to be the sole defender of the working classes. I would even suggest that some union leaders, while too prone to exalt a political group and to censure the government in power, are neglecting their responsibilities and harming the very people whose interests it is their duty to protect. Consider for example what is happening in the United States at this time. During the November election, the political action committee of the C.I.O. supported the defeated party. We realize today, from the legislation introduced in the American Senate and Congress, that the workers are the sole victims of their leader's blunder. If those bills are passed they will lose many hard-won privileges.

I repeat, Mr. Speaker, that the interests of the working classes must remain above those of any party. Thus, the claims of labour will always be better received and understood by the government, and no doubt, we shall have fewer strikes on our hands. I don't mean by that that union leaders must take the blame for all strikes past and present, but I do mean that conditions might be very much better if they were politically impartial.

At the same time, workers will better live up to their obligations if they feel that their efforts and the interest they take in their jobs receive better recognition. They want to share in the success of the business, but expect appreciation in return. It seems that far too many industrial leaders fail to understand the changes that took place in capital and labour relations, especially in the last war. They have to realize that the worker is no longer to be looked upon as a slave, an underling, to be ordered about at will, but a valued partner worthy of regard and sympathy. Nothing must be left undone that will improve working conditions and the worker's safety. And when company finances allow, he should be given adequate increases without his having to strike for them. I am sure employers would thus eliminate the many industrial conflicts that must follow, unless these steps are taken to avoid them.

For example, has there ever been such a depressing condition, so much opposed to the national interest, as the strike that held sway, for a period of three months, at the Noranda mine? Would it not have been feasible to settle this labour dispute at the outset, with a measure of charity, good will and, especially, common sense? Thousands of workers were jobless because the company refused to grant the check-off or optional collection of dues, on which the union insisted. I feel that the company should have complied with the union's demands or, at least, agreed to a vote being taken among the workers.

Last year, at the meetings of the industrial relations committee, this matter of the check-off was discussed and I cannot recall that a single member was opposed to the acceptance of this union security measure. I was astonished, the other day, to hear the hon. member for Pontiac (Mr. Caouette), whose friends in Quebec endeavour to build a reputation as defenders of the working classes, say that he was opposed to the check-off because this measure, in his opinion, aimed at depriving the workers of their freedom. I ask you, Mr. Speaker, how could this optional collection of dues ever be an obstacle to individual freedom? Are not the workers themselves asking that the deduction be made on their salary? That being so, how can it be said that their freedom is being curtailed? Mr. Speaker, I believe that if my honourable friend realizes how important it is for the workers to organize themselves into a labour union and if he really has their success at heart, he will raise no objection to that form of union security being granted to them. I also think that some good will and cooperation on the part of the company would certainly have had the effect of preventing that disastrous strike.

However, past experience shows that if the protection of both parties is to be ensured and harmonious relations established between them, governments must necessarily intervene and enact appropriate labour legislation.

Last fall, all the labour ministers of this country met in Ottawa. They unanimously agreed to a resolution recommending the enactment of uniform legislative measures for the settlement of disputes between capital and labour. A short time afterward, the dominion

department of labour submitted to each of the provinces the draft of a national labour code, requesting them to consider it and make whatever convenient suggestions might be necessary under the circumstances. As yet, we do not know what the answers of the provinces will be, but I for one sincerely wish that the ministers concerned may closely scrutinize that report before improving the existing legislation; moreover, I feel that they will cooperate with the dominion labour department in the drawing up of a code which would apply throughout the country. The various provinces could themselves enforce such a labour code, which would afford protection to those among them who are so touchy about their autonomy. Uniform legislation of that kind would, in future, do much to redress the wrongs which the workers are now suffering in the province of Quebec, especially in connection with the salaries they receive as compared with those given to workers in other provinces for identical work, because it must not be forgotten that they have to pay the same taxes as their fellow-workers and pay the same prices for the things they need.

It is my belief that the labour ministers from all provinces will generously contribute to that task, so that we may find the required solution which will put an end, if not to all, at least to most of the disputes which might occur in future between capital and labour.

(Text):

Since I am dealing with labour, I believe it is my duty to draw the attention of the house to a section of our population which is performing essential services in the economy of our country, even if this section is not great in numbers. I refer to scientists, architects and engineers. Since I am a professional engineer, I may be in a better position than many of our people to understand the role played by the members of these professions before and during the last war, and the great task which they will be called upon to fulfil in the future. But for the information of hon. members and for the public in general, may I quote an extract from an article which appeared in the *Institute Journal* of December, 1945, and which is entitled, "Scientists in Government Service", by C. R. Twinn:

> The British and United States governments have publicly expressed their comprehension of the tremendous importance of science in the modern world. In a white paper dealing with the scientific civil service presented to parliament in September, 1945, by the chancellor of the exchequer appeared the statement:
>
> "The governments are deeply conscious of the contribution made by scientists toward the winning of the war. They are equally conscious of the contribution which science can make during peace to the efficiency of production, to higher standards of living, to improved health and the means of defence."

In November, 1944 the President of the United States, impressed with the importance of scientific research in the national life and concerned with its continuing future in that country, requested Doctor Vannevar Bush, director of the office of scientific research and development, to make recommendations on a number of points related thereto. Doctor Bush, in reporting to the President in July, 1945, had this to say:

> Without scientific progress no amount of achievement in other directions can insure our health, prosperity and security as a nation in the modern world.

Nobody can deny that men who merit such magnificent praise are at least entitled to recognition from their respective governments of the service which they render to society.

The following is an illustration of the way in which many professional men are paid in the civil service and this situation is not peculiar to the federal civil service. I believe it is even worse in the provincial field. In an article that appeared in the November, 1945, issue of the *Engineering Journal* at page 718, I read the following under the heading, "More About Civil Service Salaries":

> For a long time the *Engineering Journal* has been pounding away at the salary scale paid to members of the profession by the federal civil service. It was very encouraging to see, recently, in the Ottawa *Citizen* an editorial on the same subject. Under the heading "Why Men Leave Home" the *Citizen* lays bare the situation in Ottawa all of which will be of more than passing interest to the Department of Finance and the treasury board.
>
> The editorial quotes half a dozen cases that to the casual reader would seem almost too fantastic to be true. Here they are. One of these is a B.Sc. of British Columbia and an M.A. of McGill who receives a salary of $3,180 after 19 years' experience. Another is both a B.A. and an M.A. with four years' experience and an $1,800 salary. A third is a graduate of Manitoba with an M.Sc. from Cornell; he has had three years' service and he receives the munificent sum of $1,620 a year. One man with a B.A. from McGill and an M.A. from Wisconsin and a D.Sc. from Edinburgh, with fifteen years' experience, draws a salary of $3,180, and there is another with a Ph.D., B.A. and an M.A., who has had six years' experience and receives from His Majesty's loyal government the sum of $2,160.

I have before me recent civil service application notices and I find, for instance, according to one, that the public service of Canada requires architects and engineers, class 1 and class 2, at salaries ranging from $2,100 to $3,120. I might also cite the case of a chemical engineer who holds a diploma from a recognized Canadian university and also the

degree of Doctor of Chemistry from a European university. He has to his credit twenty-one years' experience and is working for a federal department and earning the enormous salary of $2,860 a year. In view of this, is it surprising that governments are having difficulty in retaining valued employees after they have worked under these unsatisfactory conditions for a few years? Will our governments not realize that they will lose employees whom it will be impossible to replace? Will our governments not realize that such loss will cripple the public services of which we should be so proud. I believe that in some quarters it seems that a sense of proportion has been altogether lost. I hope that, since war-time restrictions are abolished, the Minister of Finance (Mr. Abbott) and the treasury board will do their best to remedy these wrongs.

May I ask fair-minded members of this house, whatever may be their political creed, to support me on this issue. This is not a political issue. I should like the public at large and the federal and provincial governments to recognize that those whom Doctor Samuel Smiles rightly called "the makers of modern civilization" are entitled to a salary commensurate with the great services they are rendering.

(Translation):

Mr. Speaker, another matter of national import which gives rise to serious controversy is that which deals with the dominion-provincial tax agreements. At present, six provinces have accepted them while three have turned them down, for the time being, at any rate. They object to these agreements on the ground that acceptance of the proposals would jeopardize their autonomy. Mr. Speaker, we have not yet heard any of the six provincial premiers who accepted the agreements complain that they had sacrificed the slightest particle of autonomy; still, and this I should like to emphasize, these premiers are not all friendly to the present government.

On the other hand, we are still awaiting one argument from the refractory provinces to convince us that those proposals imperil provincial autonomy. Some have endeavoured to prove it, but upon analysis, we find that their arguments can be easily refuted. On February 6 last, speaking on the address, the hon. member for Chicoutimi (Mr. Gagnon) stated:

> Is it not true, however, and does history not prove that the dominion government never returned the provincial rights and prerogatives it had taken over although many of them were surrendered only temporarily?

Well, Mr. Speaker, if the hon. member will refer to sections 51, 52, 91 and 92 of the British North America Act, he will find that the dominion government had complete authority to that effect and therefore did not encroach upon the autonomy of the provinces. I shall gladly give him, upon request, the subsections applying to each of the said acts. No, Mr. Speaker, the dominion government has no intention of encroaching upon provincial rights and does not ask that the constitution be modified or amended.

Their only wish is to secure a tax agreement for a definite period of time. My hon. friend and the premier of my province may rest assured that no Quebec Liberal member will ever tolerate any infringement of provincial autonomy. We prize our rights as highly as they do and we are determined to fight for them. We go about it with less fanfare and histrionics, but with greater logic and sincerity. We realize full well that such agreements, while respecting individual rights, will ensure prosperity throughout the nation. It is generally admitted, I think, that prosperity is indivisible. We must, therefore, use every effort to spread it in all provinces. These agreements are designed to provide the provinces with a fixed income to avoid overlapping and inequality of taxation and to protect trade within the country. There is no doubt but that their acceptance would make it possible for the various governments to stabilize their financial position, improve their social legislation and prevent the recurrence of unemployment. I have given my reasons for hoping that the premier of our province will assent to the proposals. I hope that he will stop playing petty politics and if he thinks our rights are being trampled on, let him show us in what respect they are being ignored and let him bluntly refuse to sign an agreement. If, on the other hand, our autonomy is unimpaired, let him come here and take up the matter with the federal government so that we may know once and for all what he does want. No further conference need be held to thresh out the matter. We have had two already, both ending in failure. Besides, by the very principle of provincial autonomy, any province is fully entitled to enter into tax agreements with the dominion without in any way affecting the rights of other provinces. Mr. Speaker, while the Canadian people were disturbed for a time by such appeals to impaired autonomy, they are getting to understand just why certain governments turned down the agreements, and the time is at hand when they will pass harsh judgment on those genuinely responsible for the failure of the conference.

Before closing, I wish to ask the Hon. Minister of Finance (Mr. Abbott), who must now be getting ready for the forthcoming budget, to keep the taxpayers in mind.

During the war, all Canadians generously accepted the sacrifices necessary in such circumstances, but they all realize today, that they cannot indefinitely assume the present heavy burden of taxes. I believe the time has come to grant important reductions, especially to wage earners and heads of families. It does not seem essential to me that the total cost of the war just ended be paid entirely by the present generation. I feel that future generations should be called upon to pay part of that expenditure, as they may possibly be the first to benefit from the sacrifices made by the present generation in order to ensure a happier future for their descendants.

(Text):

The house divided on the amendment to the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Archibald
Argue
Bentley
Bowerman
Bryce
Burton
Campbell
Castleden
Coldwell
Gillis
Herridge
Irvine
Jaenicke
Knight
Knowles
McCuaig
McCullough (Assiniboia)
MacInnis
McKay
Matthews (Kootenay East)
Moore
Nicholson
Stewart (Winnipeg North)
Strum, Mrs.
Wright
Zaplitny—26.

NAYS

Messrs:

Adamson
Ashby
Baker
Barrett
Beaudoin
Beaudry
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Blanchette
Boivin
Boucher
Bourget
Bracken
Bradette
Bradshaw
Breithaupt
Bridges
Brooks
Brown
Brunelle
Caouette
Cardiff
Case
Casselman
Charlton
Chevrier
Church
Claxton
Cloutier
Cockeram
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Coyle
Cruickshank
Daniel
Dechene
Denis
Diefenbaker
Douglas
Emmerson
Eudes
Fair
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulton
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Glen
Golding
Gour (Russell
Gourd (Chapleau)
Grant
Graydon
Green
Hackett
Hallé
Hamel
Hansell
Harkness
Harris (Danforth)
Harris (Grey-Bruce)
Hazen
Healy
Hlynka
Hodgson
Ilsley
Isnor
Jackman
Jaques
Jean
Johnston
Jutras
Kuhl
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Laurendeau
Leger
Lennard
Lesage
Little
Low
McCann
McCulloch (Pictou)
McDonald (Parry Sound)
Macdonnell (Muskoka-Ontario)
McGarry
McGregor
McIlraith
McIvor
Mackenzie
MacKinnon
MacLean
McLure
McMaster
MacNicol
Maloney
Marier
Marquis
Marshall
Martin
Matthews (Brandon)
Maybank
Mayhew
Menary
Merritt
Michaud
Miller
Mitchell
Mullins
Murphy
Mutch
Nixon
Parent
Pearkes
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Ross (Hamilton East)
Ross (St. Paul's)
Ross (Souris)
Rowe
St. Laurent
Senn
Shaw
Sinclair (Vancouver North)
Sinnott
Skey
Smith (Calgary West)
Smith (York North)
Stanfield
Stephenson
Stuart (Charlotte)
Stirling
Timmins
Tremblay
Tucker
Tustin
Viau
Warren
Weir
White (Hastings-Peterborough)
White (Middlesex East)
Whitman
Winkler
Winters
Wylie—168.

(Translation):

Mr. HEON: Mr. Speaker, according to a written agreement which will last for the duration of this session, I was paired with my very distinguished friend the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme). Had I voted, I would have voted against the subamendment.

Mr. GAGNON: Mr. Speaker, I was paired with the hon. member for Lake St. John-Roberval (Mr. Dion). Had I voted, I would have voted against the subamendment.

(Text):

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I should like to have just a few minutes to deal with the position this group takes with respect to the amendment proposed by the Progressive Conservative party and to place our position firmly before the members of the house. It is true that this is the second time I have spoken in this debate, but I make no apology for doing that because the rules of the house forbid me, in the succession which is arranged, to move an amendment. I may wish to do that before I finish my address tonight.

An hon. MEMBER: Nonsense.

Mr. LOW: It cannot be any more nonsensical than my hon. friend looks. There are two aspects of the Conservative amendment which I think require considerable attention before the vote is taken. On the negative side I should like to ask certain questions. Do the Conservatives claim that the government has lost the confidence of the people because, during its regime, centralization has intensified, taxes have increased many times, the national debt has mounted to staggering proportions, and bureaucracy and regimentation have proceeded to lengths that are unbelievable? If so, then we agree.

Do the Conservatives claim that the Liberal government no longer enjoys the confidence of the people because of the manner in which the government has been introducing socialism while at the same time giving lip service to Liberal principles? If, so, then we quite concur. Do the Conservatives, the movers of the amendment, believe that the flagrant violation of the promises which they made, particularly to the men of the fighting forces in regard to the post-war period, contributed to the loss of confidence in the government? If so, then certainly we agree. Finally, do the Conservatives claim that the government has lost the confidence of the people through its failure to preserve and vitalize true democracy in Canada and because in its neglect it has allowed conditions to develop which encourage the growth of communism and other forms of totalitarianism to the extent that they have become a distinct danger to the security and welfare of Canada? If so, then we agree. These are objectionable policies which the C.C.F. party would intensify in their efforts to introduce the socialist state in Canada.

Mr. COLDWELL: That is your opinion, but it is not correct.

Mr. LOW: We shall let the hon. member show that it is not. Those are the negative aspects of the matter. By implication the amendment before the house suggests that there is some party or there are some alternative policies in which the people do have confidence. I think we must rule out any possibility that the people's confidence rests in any political party. It is my opinion that political party machines have never been quite so much in disrepute as they are at the present time in Canada. Therefore it must be that the Conservatives believe there are policies which would command the confidence of the people. There can be no question that this is the case. So I put it squarely to the Conservatives who are sponsoring the amendment: Do they concur that these policies which they claim that people have confidence in are as follows:

1. That full and unfettered freedom shall be restored to the people of Canada—I mean all the people of Canada, not just some of them.

2. That as one of the means to the restoration of freedom, all unnecessary controls, domination of the individual citizen by a growing state bureaucracy, and the increasing centralization of power by a multitude of regulations, orders in council and restrictive legislation shall be brought to an end.

3. That the present burden of crushing taxation shall be reduced by at least thirty per cent immediately, and within reasonable time by at least sixty per cent.

4. That every Canadian shall, as a right of citizenship, and so long as he assumes his responsibilities as a citizen and cooperates to the full in keeping up Canadian production, be entitled to a social security income, in addition to his earned income, if any, which will render him independent of state charity or economic coercion and will enable him to live in decency and security. I contend, Mr. Speaker, that nothing less than this will confer on him economic freedom; and without economic freedom he can have no freedom in any real sense of the term.

5. That the paralyzing restrictions on agriculture and industry shall be removed to give full rein to the country's productive efforts, and immediate action be taken to divert the necessary effort and materials so that private enterprise and existing government agencies might together provide an adequate housing programme to meet the national requirements.

6. That farmers and other primary producers, together with manufacturers and merchants, shall be assured a fair return for their services in an expanding market in which consumers will at all times have sufficient purchasing power to buy the available goods and services.

7. That there shall be established stability of wage scales and incomes generally, with a downward revision of prices without loss to any individual.

8. That the parliament of Canada shall be made responsible to the will of the Canadian people at all times; and that the necessary constitutional changes shall be made to establish every Canadian in his legitimate rights as a citizen of this great country.

These policies in almost every respect are the opposite of those being pursued by the present government and of those being advocated by the C.C.F. and communist parties. Yet not only do these policies represent what the overwhelming majority of the Canadian people want but, with our vast national resources, they are entirely practicable.

If these are the policies to which the Progressive Conservatives give their support as the alternatives to the policies in which they claim the people have lost confidence, the Social Credit group would like them to make it very clear, by declaration in this house, so that we shall know what to do about the amendment they have proposed. We like as a group to be faced with positive proposals when making our decisions. We are determined to do what is best for Canada, and we do not want to be guilty at any time of political manoeuvring. To the very best of our ability we will do what is best for Canada so far as it is possible for us to see what is best.

I believe, Mr. Speaker, that there is a good deal of merit in the old saying, "I'd rather have the devil I know than the devil I don't know."

In order to clarify the whole situation, I wish to move an amendment to the Conservative amendment. I move, seconded by the hon. member for Lethbridge (Mr. Blackmore):

That all of the words in the amendment following the word "Excellency's" be struck out, and the following be substituted therefor:

"Ministers ought to have advised Your Excellency that they would introduce in the present session measures providing for:

A. The return to parliament of complete and effective control of Canada's financial policy.

B. The use of the national credit to meet at least some of the financial requirements for essential services; and, as a guarantee that this country shall not again be subjected to financial depression, to make available to each and all Canadian citizens a proper portion of purchasing power which shall not first pass through the usual channels of industry, this on a basis calculated to maintain a balance between effective purchasing power in the hands of consumers and the aggregate of the prices of goods available for sale.

C. Removing the discouragements to the production, and sale in Canada, of building materials of all kinds; and, the providing of financial assistance required, so that an all-out housing programme can be initiated to meet the needs of the Canadian people.

D. Redefining and clarifying the constitutional rights and responsibilities of dominion and provincial governments together with the adoption of scientific formulae for allotting to the provinces sufficient revenues to enable them fully to discharge their responsibilities without increasing the tax burden already borne by their people.

It has been widely claimed that the social crediters have turned away from their monetary reform efforts. I suppose this claim arises from the fact that during the war years we did not press so strongly for monetary reform as we did before the war. We did not emphasize this phase of our programme for two main reasons: (a) for patriotic reasons. We were in a war that required the combined efforts of all Canadians to win, and we did not think it desirable at that time to press too strongly for changes while we were engaged in a life and death struggle; (b) but much the more important reason is that the chronic shortages of purchasing power disappear during war time when a big part of our production is being given away free to our enemies or being destroyed in battle. In fact, as the war reached its climax, there developed a situation where we had more money than consumer goods to be bought. Social crediters realized that, and were not such fools as to press for more money to come into existence at that time. The fact that we did not has been misinterpreted to mean that we have dropped our demands for financial reforms. Nothing is farther from the truth.

Amongst those who make the claim that we have abandoned monetary reform efforts are many who say they have made a careful study of social credit and that their studies have convinced them of its fallacy. I doubt very much that they have made these studies because these same people charge that social credit is merely a monetary reform scheme; in fact many of them say "a funny money scheme". Let me tell them in no uncertain terms that they have not studied social credit at all or they would know that social credit is a complete philosophy of life, a way of living which concerns itself with every phase of the political and economic welfare of every human being within our borders; if they had made a study of social credit they would know that our financial reform proposals are simply a means to an end. What is that end? Establishment in our country of conditions under which every individual may have an opportunity of developing his own personality to the farthest possible extent of his capacity,

together with the fullest freedom to live his life as an individual and not as part of a regimented group.

Every observant Canadian knows that before and during the war years the social credit organization was the spearhead of the movement to save Canada from communism, fascism, or any other totalitarian "ism". We have led constantly in the effort to preserve the right of private enterprise in this country, because we are convinced, as the hon. member for Lethbridge (Mr. Blackmore) so well demonstrated this afternoon, that individuals develop and expand toward perfection best under such a system, private enterprise.

It is common knowledge that social crediters have consistently pressed for lower taxes, reduction of debt, the abolition of restrictive bureaucratic control and the introduction of a Christian democracy in this country. We have never relaxed for one moment in our demands that parliament set out at once to unlock the door to abundant living for every Canadian. Social credit contains the three keys by which these doors can be opened wide. The first of these keys is personal freedom, which is the key to political democracy. We have been the champions of political democracy and of personal freedom. The second of these keys which is involved in the social credit philosophy is financial reform, which is the key to economic democracy. Unless we have economic democracy which carries economic freedom to every citizen, those citizens cannot be said to have freedom in any sense. The third key which is contained within the social credit philosophy is a sane policy of international relations, which is the key to peace.

The shooting war is over. Canada should soon be giving full rein to productive effort; in fact we should have been straining much harder these past years to open wide the floodgates of production to meet the dangerous situation which had developed with respect to the possibility of inflation. As we remove the restrictions to full production we shall very soon begin to pile up unsaleable surpluses of goods and services; surpluses not above what the people want and can consume, but so-called surpluses above what the people can pay for with the meagre amount of money in their pockets. Within a few years at the most, unless some basic reforms are made to prevent it, Canada will once more face a condition of unsaleable surpluses and poverty amidst abundance. I say with all gravity, Mr. Speaker, that if that condition is ever allowed to develop again in this country I very much fear that nothing can possibly prevent tragic disturbances and upheavals which might be the signal for the communist world revolution that is still in the course of active preparation.

Let me say right here that the government has shown some evidence—and I recognize that evidence—of an awakening to the situation. It has introduced some measures designed to bring up internal consumption in Canada, but it has steadfastly refused to get right down to the real causes of periodical depression. The government seems to prefer putting crutches where a surgical operation is needed. In the light of modern knowledge of economics, does it not appear stupid to hon. members, stupid, let us say, to distribute money for family allowances and then turn around and, by hundreds of hidden ways, steal it back by taxation? Who benefits from such a thing?

If one examines into the situation he will find that the beneficiaries are mainly the hordes of bureaucrats who administer these acts of extortion. Has not anybody the gumption to see that if more of the products of his labour is left in the hands of the rightful owner, namely, the citizen who produces them, there would be infinitely less necessity and reason for the people becoming dependent upon a paternal state?

I said that financial reform is the key to economic democracy. The need for financial reform arises from two basic faults or weaknesses in our financial structure. The first is that Canadian governments of the past have allowed a private monopoly to control the issuance of over ninety-five per cent of our money. This monopoly issues money as a debt owing to itself that must be repaid with interest. I do not intend to spend time on this phase of the weakness just now.

The second weakness arises from the method which we use of putting money into circulation, that results in a chronic shortage of purchasing power in the hands of consumers. I should like to say just a word about this one, because it is the one upon which the proposals for reform made by the social credit programme rests.

There is general agreement among economists of the world that purchasing power finds its way into the hands of consumers through the productive process; that is, through the process of making goods, paying salaries and wages, dividends and profits and compensation to the workers in enterprise and in industry. I believe, too, that there is general agreement that if a large-scale productive system is to serve the needs of this century and of the people in these modern times, it must be matched by large-scale consumption. What we need is a nation of good customers, but this cannot be unless we set to work now to remedy the basic faults in our method of

distributing purchasing power. Is it true that the productive process itself fails to generate and distribute enough money to enable the consumer to buy back the whole of their produce? I think it is a matter of common observation that the productive effort fails to distribute amongst consumers enough so that these consumers can buy back the products of industry.

I shall draw this to the attention of the house as a common observation. Periodically in this and in every other country we come into a condition which operates on the same type of financial system, where we have built up unsaleable surpluses of goods, goods which the people want and can use and would use, but they cannot get at them. We saw in the thirties in this country a condition where the merchants had their shelves loaded full, where people were starving and could not get at these goods because they did not have in their pockets the money with which to buy them. That is a situation which has to be explained if we are ever to get at the root cause of our financial difficulties.

I ask again—and this is a matter of common observation—why was it that for 200 years Britain was able to maintain a favourable balance of trade without any wild deflation? The only answer to that is that in the heyday of her imperialistic efforts Britain did build up a tremendous productive capacity, but she found that she could not distribute the total of what she produced with the money that was generated in her enterprise through the productive effort, and she had to send abroad the surplus above what the people could buy with the money they had in their pockets. She maintained this position for 200 years. There was no wild deflation. Why? Because what they were sending out equalled almost exactly the surplus of the production above the money the people had.

Another matter of common observation is reported by Arthur Dunn, an economist, and a lawyer. I have in my hand a book which he put out, called "Arithmetic or Revolution". Mr. Dunn is a noted author and lives in the United States. In this book he has made a complete and detailed analysis of the situation as we now face it, with respect to finance in its relation to our economy. I should like to quote briefly from what he has to say on page 35. This follows what I have been trying to say about trade. He says:

> The science of buying power, when learned, must be utilized in all mechanized countries if the machine age is to yield its possibilities. It must also be applied in the exchange of products between nations, as well as within nations. For foreign trade is mostly an exchange of products of one country for those of other countries. As pieces of paper are used to effect exchanges within countries, so are pieces of paper used to effect exchanges between countries. We term the latter bills of exchange and the former money. The difference between them is that money represents products generally whereas bills of exchange represent only the specific products listed in the bills. The people of every country seek to export the excess unconsumed at home. If they knew better how to distribute among themselves the goods they produce, there would be less surplus for export . . .

And therefore less pressure to get goods that embarrass the economy into the channels of world trade. Then at page 34 I quote Mr. Dunn, as follows:

> George N. Peek, made for President Roosevelt an analysis of our foreign trade from 1895 to 1935. Mr. Peek shows that from 1896 to 1933 we—

He is speaking of the United States.

> —sold to the world goods in the amount of $121 billion (I use round numbers) and had bought $84 billion worth, placing the world in debt to us by over $36 billion. Part of this was paid to us by services (carrying freight and so on), but the balance still owing us up to 1934 was over $22 billion. This sum included war debts for goods shipped by us to our allies, and will undoubtedly never be paid. Also huge amounts due our private citizens are uncertain. So, up to that date, we had actually given away billions of dollars' worth of commodities abroad, for we had received nothing in return except these pieces of paper, that is, promises to pay.

When we analyse Mr. Peek's figures we make an astonishing discovery:

> . . . that it is better to produce and give part away than to reduce production. For 18 years (from July 1, 1896 to June 30, 1914) the amount owing the United States from abroad increased only $1 billion, or an average of $56 million per annum; but from July 1, 1914 to July 1, 1929, the increase was over $21 billion or an average of almost $1½ billion per annum. From 1930 to 1933 there was no increase at all in the principal of foreign debts. In other words, in the years of our greatest national prosperity we produced enormously and gave away, that is, in the sense that they were not paid for, over 26 times as much as in the years of moderately good times.

What is the answer to that? The whole thing can be summed up in this way, that the productive enterprise in the United States in those years failed to distribute sufficient purchasing power in all forms among the people of that country to enable them to buy back the goods they produced; therefore they were in the position of having to send abroad large quantities of their goods in order to keep the remainder within their own country, and they were determined not to receive in payment for those exports of theirs any imports because, if the imports had been brought back in payment for their exports a situation would have been brought about which would still be

embarrassing because of lack of purchasing power among the people. Some figures have been obtained from Washington and I quote from the National Bureau of Economic Research Reports, No. 2, pages 242 to 248:

> American industries paid out in 1918 $45,548,000,000 in wages, salaries, dividends, bonuses, pensions, compensations and consumer purchasing power, and at the same time consumer goods were produced to the value of $60,366,000; in other words, there was an excess of production over purchasing power generated and distributed among the people of approximately $15 billion.

If that is so, one would find in the records of the United States for that year an export surplus for favourable balance of trade of approximately $15 billion, or a combination of favourable balance of trade and increase in the national debt amounting to $15 billion. An examination of the records in the United States will reveal exactly that. Their national debt plus their favourable balance of trade for 1918 amounted to approximately $15 billion. That is evidence that there is not sufficient purchasing power, generated and distributed in the process of producing goods and services in any country, to enable the people to buy back those goods and services.

I call attention for a moment to one or two other works that are available to students who wish to follow the question more closely, and I would exhort hon. members to familiarize themselves with these, because it is important to the future of this great country that we know. I refer now to a little booklet called "Banking and Industry" by A. W. Joseph, B.A., B.Sc., A.I.A., of Birmingham, England. This booklet goes into a logical and forceful discussion of the causes underlying the failure of the productive effort to distribute sufficient purchasing power.

Mr. Joseph outlines three causes in particular. The first arises from the way in which we have to finance the production of capital goods. He calls that one the double circuit, meaning that there are certain costs which have to be recovered from the community of people, the consumers, which costs were never put into circulation. This in itself causes a shortage. No one has yet to my knowledge produced an effective rebuttal of Mr. Joseph's argument.

The second cause, which he discusses and demonstrates clearly, is the matter of public saving, which continues to build up an expanding economy of production with a lag in the distribution of purchasing power, that creates a very bad situation periodically, a situation which people in the past have been in the habit of calling "the business cycle." That is the old laissez-faire term for it. Well, it is time we got away from laissez-faire, and established something like a decent organization of the financial structure so that we may prevent these tragic periodical occurrences.

The third cause he deals with is the time lag in the cycles of production. I commend this book to hon. members, and would suggest too, that if they cannot find one handy they go to the banking and commerce committee's report for the session of 1939. It is here in the library. They will find at page 613 the important part of this little pamphlet written by Mr. Joseph, who is a chartered accountant and a student of economics.

I should like at this point, and before I close, to refer hon. members for further evidence regarding the shortage of purchasing power to the *American* magazine of July, 1946. In an article written by Senator James E. Murray, beginning at page 38—I have it available for hon. members if they wish to see it—I quote the following:

> Congress has enacted—and the President has endorsed—legislation designed to plan for permanent prosperity. Furthermore, any action taken under the law will be taken within the framework of our own free enterprise system and through our existing democratic processes. This new law is a crucial first step toward enduring prosperity, just as the San Francisco charter was a crucial first step toward a world organization for peace. Both need to be implemented.

Then I go over to page 106, where the article continues. I read this part of the act, which is heartening to those of us who understand just what the basic weaknesses are in our financial arrangements:

> The congress hereby declares that it is the continuing policy and responsibility of the federal government . . . to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining . . . conditions under which there will be afforded useful employment opportunities—

Note that; useful employment opportunities, not useless ones.

> —including self employment—

That is, the right to turn in leisure time to things you have wanted to do for so long but have not been able to do.

> —for those willing, able, and seeking work, and to promote maximum employment, production, and purchasing power.

Then he says:

> That, in a mouthful, is the goal. You will note, in the last clause, that congress recognized it is futile to expect everyone to have jobs unless our industries have a full supply of orders and unless all our people have enough money in their pockets to buy all the goods our farms and factories can produce.

I say it is most heartening to realize that some thinking men are coming to see and

understand the basic faults in our system of finance. That is heartening, because I believe they will now begin to turn to the remedies, and those remedies ought to be quite obvious to hon. members.

I should like to refer to just one other authority on this point. Professor C. E. Ayers, head of the economics department of the university of Texas, recently published a book which he entitled, "The Divine Right of Capital." In that book he makes an incontrovertible case for what he calls one of the great discoveries of this century. The discovery to which he refers is that the total productive effort in any country operating under the financial system used by Canada, Great Britain, the United States, and in fact most countries of the world, fails to distribute to consumers enough purchasing power to enable them to buy back the goods and services they have produced. This serious defect is the same one discovered and exposed by Major Douglas twenty-six years ago. Professor Ayers does not take credit for discovering the basic fault. He claims that discovering the truth of the chronic shortage defect is what constitutes the greatness of the discovery in these modern times. While one cannot totally agree, perhaps, with the remedies suggested by this professor, at the same time he has correctly divined and has built up an incontrovertible argument for the shortage of purchasing power generated in the productive effort.

I do not wish to weary the house with any further discussion along this line. In closing, let me simply say this. Surely our observations, our common sense, and the words of great economists of this day who have gone into it, ought to be enough to cause us, as the custodians of the safety and security of the Canadian people, to get down to work and discover for ourselves exactly what the defects are that we face in our great process of distributing the tremendous production which the hon. member for Lethbridge (Mr. Blackmore) showed was possible in this country. If we are to prevent recurring depressions it is necessary that we apply remedies. What those remedies should be I am going to leave for my colleagues, who may follow me in the discussion of this amendment, to deal with. Suffice it to say that it cannot be questioned that the reasons have now been established for the fault or weakness in our financial structure. The sooner we get at remedying that fault, the sooner we get on the right track toward the life abundant, the better we are going to be.

I have just one word in conclusion. I hope the speakers from the Progressive Conservative ranks who will follow will make clear their answers to the questions I have asked, because the position taken by this group on their amendment will be largely guided by what is said, the declarations made, and the vote taken on our own amendment.

Mr. W. GARFIELD CASE (Grey North): Mr. Speaker, I do not feel I should presume to accept the invitation of the leader of the Social Credit party (Mr. Low) and speak for the Progressive Conservatives in any sense of the word. It will be my endeavour to make my own views clear on what I consider to be the pressing problems facing the Dominion of Canada. As many hon. members know, not so long ago I was in perhaps the same position as the hon. member for Quebec South (Mr. Power), who has been quoted as saying he was a Liberal looking for a party. I am sort of ahead of him, because I have found a party. I must say I have been very happy and contented and my association has been extremely congenial. Yet you may notice that I am sitting about as far to the right of my leader as it is possible to sit. I suppose that is in order that escape might be possible and easy.

What I should like to discuss tonight has something to do with the various levels of government. I do not want to introduce or discuss any new system. We hear so much about the new things that might be done, but I should like to discuss a formula which I believe would make the present system work; and I think that is all we need. I have in mind now the municipal governments throughout Canada. As hon. members may know, I have a background of municipal experience, having served my municipality in various capacities, including that of mayor. That brings to mind the problems faced by men charged with the responsibility of administering our affairs, at any level whatever. In that sense I am not going to be too critical. I would rather seek to appreciate, if I could, how those problems might be solved, and offer criticism of a constructive nature.

I might say, however, after listening to the hon. member for Dauphin (Mr. Zaplitny) and his fear of the removal of controls that, so far as I am concerned, one who expresses the opinion that he is fearful of the removal of controls has lost entirely confidence in his fellow man. I cannot imagine that any great degree of chaos would result in Canada if controls were removed. There are always two parties to a bargain, and surely the great mass of the people can be given credit for using some degree of judgment, and that they would not let prices run rampant. I can understand, of course, that in the matter of rentals there

would have to be some controls, since there is not sufficient accommodation to go around. But the attempt to control many of these commodities results in the setting up of black markets, and means whereby people can short-circuit normal procedure, whereby they will pay prices beyond the ceilings. When they do that they are breaking the law; and when people break one law, it creates disrespect for other laws.

As one who believes in free enterprise, it is my view that the government has been over-cautious in its desire to serve the Canadian people by instituting wartime housing and housing enterprises, and by creating priorities whereby those people have the advantage in what otherwise might have been a free market. I believe that, had private enterprise been given an opportunity, not only would it have built better houses, but it would have built more of them, built them in a satisfactory manner and in locations which might have been selected by those who were likely to occupy them.

However I do know that in my own municipality, where we were hard-pressed to find suitable accommodation, we welcomed what the government sought to do. I suppose it is easy enough for me to stand here tonight and be critical of something that has already taken place. In my experience in public life I have never sought to impute improper motives to my fellow man. I prefer to feel that he is acting in good faith. I might even pay some compliments to the C.C.F. socialists, even though I detest the means they seek to employ to attain their end.

My concern today, more than anything else, is the plight of the municipality. From coast to coast in Canada these municipalities are the creatures of the provincial legislatures. They are governed by certain fixed statutes. They must raise their revenues from real property; that is their tax base. All the time, the people residing in these municipalities are demanding expansion of services, services which must be paid for by the real property owners.

There is more than one way to bring about state socialism or even communism in Canada. One method commonly employed is that followed by the C.C.F. socialists when they stand on a public platform and advocate state control and state ownership, or even when they include those principles in an amendment, as they did in their amendment to the amendment to the address in reply.

But the other and more subtle method is to increase the burden of taxation to a point where the ownership of real property ceases to become attractive, and the property owner, the real backbone of the country, will throw in the sponge and ask himself why he should seek to carry on when he is being asked to carry the burden for the whole community.

Canada has long prided herself on being a nation of homes. Her real objective should be that of a nation of home-owners; because I believe that when a man has a stake in his community, or owns property, he is not one who will be easily persuaded to follow socialism, or any other ism which has been tried and has resulted only in regimentation and the loss of personal freedom and liberty.

In support of my reference to the municipalities, I should like to refer to something which His Worship Mayor Lewis is reported to have said while addressing a public meeting in Ottawa. The Ottawa *Journal* of February 20, 1947, reports His Worship the Mayor in this way:

> There are no spare beds in the hospitals; there are no spare places for persons suffering mental illness. We are keeping people in our county gaol because there is no room for them in the proper mental institutions. Our reformatories are filled and our gaols are filled. There is no place left in all Canada for incurables and for the aged.

Then he went on to say:

> During the war years all eyes were focussed across the ocean, but the time had come to concentrate on affairs at home which were in a serious state. We should not lose sight of our local problems which are more serious and more complicated than appear on the surface. One of the main problems was making ends meet, giving to the people the services they demanded, and yet keeping taxation within reason. By existing laws the city was required to raise each year an amount of money needed to cover its expenditures, and it could not spend more than it could raise. Civic services were increasing rapidly in cost while ways of raising money were decreasing. This was true not only of Ottawa but of every municipality in North America.

I have known His Worship Mayor Lewis for a great many years. For some five years he was president of the Canadian federation of mayors and municipalities. To my knowledge, he has been secretary of the Ontario mayors and reeves association since its inception. So I had an opportunity during two years, while I was president of that organization, to learn to appreciate this man as an outstanding municipal authority. Let me quote some figures relative to the city of Ottawa, so that hon. members may know how great this problem really is.

According to the Ottawa *Journal* of February 20, 1947, reporting the mayor's speech:

> The fire department of Ottawa in 1917 spent $130,700; in 1946 it spent $489,607. Social services in 1917 cost this city $13,029, while in 1946 they cost $70,865. In 1917 playgrounds cost $3,000, and in 1946 $135,031

Then, we come to snow clearance. I know something about that problem. Trains have been travelling late these days. As a matter of fact a lady told me the other day that she boarded a train in one of our northern towns, carrying a child in her arms. When they started out she did not have to pay any fare for the child; but before she reached her destination, a distance of about a hundred miles, they charged her half fare.

Mr. SINCLAIR (Vancouver North): Joke, that is.

Mr. CASE: I continue to quote from the Ottawa *Journal*:

> In 1917 snow removal cost $24,000; in 1946 it cost $337,595. The children's aid society cost $1,400 in 1917; in 1946 it cost $179,000. Hospitals cost $41,000 in 1917; in 1946 they cost $108,000.

Hon. members will note by the morning paper, the *Globe and Mail* of March 7, that Mayor Saunders is seeking to have the provincial government pass enabling legislation to permit them to levy an amusement tax which the mayor of Toronto hopes will raise $1,000,000 in revenue.

Realizing that there is no chance to expand the municipal tax base, I am going to suggest a method that might be employed and which I believe would help this country immeasurably and would guarantee plenty of employment for many long years to come. We know how the cost of education has increased. I think it is commendable that the province of Ontario has assumed fifty per cent of the cost of education. However this has been done at a time when salaries of teachers are being raised of necessity and therefore the municipal taxpayer has not benefited greatly, although he has not had to pay out what would be a substantial amount.

I have always taken the view that a dollar which is not earned has no value. I believe the only money that has any value is the money that is earned. What I intend to propose is a method which could be used to give effect to that which already exists. July 1, 1938, was an important date in Canadian history. If we were to make comparisons I think it would be about as important as the beginning of confederation in 1867, because it was on that day that we obtained complete control of the Bank of Canada which gave us control over the issuance of currency and domestic credit.

Let me make a comparison. Back in the olden days a dollar had some relation to gold backing and bonds were redeemable in gold. That put the bondholders in a position where they could question the ability of a country to pay off in gold. That was evident at the time of the bankers' crash in the United States in 1932. Since that time there has been no gold clause in our bonds and there have not been the same fluctuations in value. A stability of value is maintained because the people have confidence in the resources of the country, even though they had no confidence in the volume of gold.

What I propose is a new charter for Canada, a means whereby we can employ the credit of the nation to assist the municipalities. It may mean rewriting the constitution, but surely we are capable of coping with the things we have to deal with. As I said, a dollar that is not earned has no value. We pay $35 an ounce for gold, which just about represents the cost of production. Sub-marginal mines cannot make ends meet even at $35 an ounce. The real value of gold is in the neighbourhood of the cost of production.

If, then, we apply that same rule to other physical assets we could employ labour to create durable capital goods and durable capital construction, and I would include those things that are bearing so heavily upon the municipalities today. I would reserve to them and to all levels of government complete autonomy and legal title to property, but I suggest that public buildings of a non-revenue or non-profit making type should be built and financed with currency issued through the Bank of Canada. Every dollar would be a dollar earned because it would employ labour in the construction of buildings of a durable nature. We would be creating an asset for every dollar we spent and we would not create any more public debt.

You may say, "Where are we going to get off at?" Someone may ask whether there will be overbuilding. I am going to suggest that the public buildings constructed should be schools and educational institutions of all kinds. With proper education a child becomes an asset to the nation. I suggest, further, that hospitals should be built. That is the closest I would come to what might be considered revenue producing buildings. Certainly very few hospitals are profit producing. Surely the care of the sick should be a charge upon the nation's resources and not necessarily a charge upon the municipality or any one part of the nation. We need hospitals; we need schools from coast to coast, and we need other educational institutions. We need mental hospitals, because our present hospitals are a disgrace to organized society. These unfortunate people, victims of circumstances over which they have no control, are overcrowded in these hospitals.

This burden is too great for the municipal taxpayer, because there is no method by which that tax base can be expanded. The real property owner can bear no more than he is bearing at the present time. The same principle could be applied to the federal or national field and harbours, national highways, canals and certain types of cargo vessels for the merchant marine could be built. After all, we are an exporting nation and means must be found whereby we can carry our goods to the furthermost parts of the world.

A moment ago I asked a question whether there would be overbuilding or overexpansion, and I am going to suggest means whereby that could be kept in check. I said that I would preserve complete autonomy to all levels of government. Once these buildings are built and equipped with heating and sanitation facilities, I would suggest that the municipality be charged with the responsibility of furnishing them with movable furniture and staffing and maintaining them. There would then be no advantage in a municipality seeking to overbuild, since there would still be continuing charges upon the local taxpayer.

In the matter of social services I would recommend that these be paid for by the federal authorities. Old age pensions, mother's allowances, unemployment insurance on a contributory basis and family allowances should all be a charge upon the federal taxpayer, as at present. I am not advocating lowering the age for old age pensions. I am always fearful of anything which tends to discourage work. I think a man's initiative and ambition should be encouraged, but as far as I am concerned that is a matter for the taxpayer to decide. If he would like to step up the old age pension to $50 a month at age seventy without a means test, then there may be some justification for it. Since the bill will have to be paid by the taxpayer it would become a revolving fund, and since everyone would be entitled to it much of it would come back into the treasury immediately in the form of taxes.

I would also be in favour, not necessarily of lowering the old age pension age, but of instituting a disability pension for anyone twenty-one years of age or over who was incapacitated from providing for himself. Such a pension should be strictly on a means test, and it would not start in at anything like $50 a month. The idea of a disability pension is sound, but it is remarkable what handicapped people can do for themselves when they have an incentive. I have been reading reports recently of cases of handicapped men who have taken employment and given more satisfactory service than those who were not physically handicapped. Such a pension could be granted on a sliding scale, so that the maximum amount would be received by the disabled at the time it was probably needed most.

What shall we do with the present mammoth debt of this nation? I should like to see this nation debt-free. I suppose someone may suggest that I am proposing to take a short-cut. But it is a natural objective to want to be debt-free, and that applies to a nation as well as to the individual. But constantly in all my years of experience I have seen the public debt piled upon debt until now the national debt has reached mammoth proportions. The shadow of socialism lengthens and the dark clouds of communism hang over us. The way to dissipate them is by giving the people that which they are seeking. I do not think we need fear communism or socialism provided that we can satisfy the Canadian people that we recognize our responsibilities. I do not believe that it is necessary to keep on piling up the national debt. We made a great discovery when we found that the nation—and the same thing may be said of practically all nations—now has the right to regulate its own credit and currency. I am not critical of the financing methods employed by the government during the war, because then there was a vast expansion of credit and a limited amount of consumer goods available, and we could not afford to have such a huge volume of spending power constantly pressing against the limited production; we would not have been able to hold price ceilings at all. In war time it would certainly seem proper that the government should borrow from the people and take away from the market some of the purchasing power. That also has the advantage of accumulating savings for the individual to be used for future expenditure. Furthermore, after the terrible conflict through which we have just passed, I think it is only fitting that posterity should make some contribution for the right to their freedom which has been won in that war. But, as the bonds mature, I think they should be retired by some method, perhaps such as I suggest for a public building programme. If it were possible to separate capital from current expenditure, certainly the capital cost should be retired. But of course we must keep faith with the bondholders. Nothing drastic should be done in seeking to remove this mountain of national debt, but no one could reasonably argue that he has a perpetual claim on the resources of this nation. Are we to develop into a nation of coupon-clippers? Rather should we not get back to where capital will be seeking investment instead of investment seeking capital.

Today industry needs capital and the farmers need capital, but we are constantly driving them to do business through sources which formerly they did not have to employ and we are denying them the advantages which they would otherwise enjoy.

It has been said that we should use tariffs as an instrument to promote trade, and with that I agree. We cannot afford to let Canada become the dumping ground for any other part of the world. But surely our trade commissioners can seek to bargain for us in other lands to which we can ship our goods and where Canada's name may become even better known than it now is. We must encourage increased production. Statisticians today would have us believe that there has not been in six thousand years overproduction throughout the world. In the dark lean years which most of us recollect only too well, while we had an abundance of foodstuffs, there were millions of people in dire need and thousands starving in other parts of the world, and so it would seem that the challenge to us is to discover some means whereby we can distribute the fruits of the earth to the farthermost corners of the globe. As a producing nation, we can indeed afford to do everything we possibly can to stimulate production and increase trade.

A word on immigration. I do not doubt for one moment that people in distant lands have heard of this great country of ours and would be only too pleased to come here if they felt they would not be burdened down with taxation, and thousands of our own would return to their native land. But, as it is today, taxation has become a threat to our democratic way of life. In glancing over the estimates the other day, I found that this government have not yet applied the yardstick of economy to its expenditures but rather are on a spending spree, in a full-out effort to create the impression that they are the leaders of the nation and that the provinces will have to fall in line. I am always concerned when it comes to the relations of the dominion government with the provincial governments. Many people have no doubt been frightened by the thought of multiple or dual taxation. But for the life of me I cannot see how the same amount of money will not have to be raised for the needs of the nation, whether it is raised by the dominion government or by the provinces, or by them both together. The great danger is that in granting subsidies you are giving the provincial governments money to spend which they were not responsible to their own people for raising. The theory laid down by Sir Wilfrid Laurier is sound, that it is not good practice for one administrative body to spend money that it is not responsible for raising. It seems to me that we may be embarking on a rather dangerous practice. There may be a great deal more money spent in the provinces than they would otherwise spend if they had to tax their people to obtain it.

I appeal to the house, to the leaders of public policy, to give consideration to the plan I have sought to outline in a limited and sketchy way. I believe it has merit. I am not as ruthless as a socialist labour leader in Britain who said, "work or starve." The opportunity to work will be here and, since working means living, the incentive to work will certainly be there. I am not in favour of dividends being passed out indiscriminately to take from our people the desire to work. I do not know how those who are working steadfastly and earning money upon which the government depends for its taxes are to meet this situation, considering that we have approximately a debt of $17 billion on which we have to raise $480 million a year to pay interest alone. The costs of government are great; the costs of administration are greater still. That is the place where I believe we can exercise a degree of economy. This government can well afford to go carefully over their departments and find out how much they are overstaffed. I know the tendency is to find work for all for whom it is possible to find work. If one may judge by the number of vacancies which have been advertised, copies of which advertisements come to my desk, it would seem that there is still plenty of room in the civil service for others to be employed.

It would appear that this nation will bear the heavy cost of social services, soldiers' pensions and things which we are definitely obligated to provide. The soldiers who fought and won and guaranteed to us this freedom will now have to bear their share of the terrific tax burden. Therefore I again offer the suggestion by which we can make our real natural resources work for us. A tree in the forest has no value of itself. It is an asset in the form of a tree, but it is of no more value to Canada than the crown jewels unless it is processed, which means labour applied to it to turn it to useful articles or to use it in the construction industry where we shall have an asset to show for it.

What about the future of gold? I would say that the future of gold would be more secure than ever before. I believe we should seek to do everything we can to encourage our gold mines, particularly our sub-marginal ones, to take this precious metal from the rocks and build up a strong gold reserve with which we could adjust international balances, because

gold is a durable article. It does not take a great deal of space. It is said that a 14-inch gold cube weighs a ton and is worth over a million dollars. Therefore it is a very handy medium which can be employed to balance exchange.

I am not critical, but there is something I should like to mention. I believe we made a fatal error in putting our exchange on a par with United States dollars. I often wonder where the pressure came from, because we enjoyed a preferred position. Citizens of the United States who came here found that their dollar was worth $1.10, while the Canadian dollar was worth only ninety cents in their country. Just consider the constant drain which is taking place at the present time; our reserves of United States dollars are constantly shrinking. If we compare wheat at $1 a bushel with an ounce of gold at $38.50 we find that an ounce of gold will purchase 38½ bushels of wheat. With gold at $35 an ounce it would purchase only 35 bushels of wheat. Hon. members can therefore understand the advantage we had compared with our United States neighbours in the export of grain, which we grow for export.

Since Macdonald and Laurier—and with all due respect to the present Prime Minister (Mr. Mackenzie King)—we have never had a man who has earned his place in history by introducing a great national policy. The government has been carried on, on the administrative level. We have had social services and other things as a result of the pressure of public opinion, but where is the great national policy of those who pioneered and gave stability and a democratic form to the government of this country? You cannot build prosperity on the wreck of humanity, and our much-vaunted freedom is nothing but an empty farce if our people do not enjoy some sense of economic security. It is up to this level of government to provide the leadership, to write a new charter, to rewrite the constitution, to invite all our people to join in a cooperative effort to make this a land of promise.

Three or four years ago, during the dark days of the war, I heard the Prime Minister refer to a new heaven and a new earth. We who are in public office today are the ones who are charged with the responsibility of making Canada that land of promise, a land of which all Canadians can be justly proud.

On motion of Mr. Gauthier (Portneuf) the debate was adjourned.

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

Monday, March 10, 1947

The house met at three o'clock.

THE PRIME MINISTER

RETURN TO THE HOUSE AFTER ABSENCE THROUGH ILLNESS

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure I shall have the unanimous approval of all present in extending to the Prime Minister (Mr. Mackenzie King) congratulations upon his recovery and a most cordial welcome in his return to the house. During his absence we watched with some concern the occasional reports on his progress. While I cannot always speak with the unanimous support of hon. members in the house, I am sure that on this occasion I do so when I say we are glad to see him back. We trust he has fully recovered, and we wish for him only the best of health and strength in the strenuous days ahead.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, in what the leader of the opposition (Mr. Bracken) has said I am sure he has the unanimous support of all hon. members. We join with all others in the house in expressing our pleasure at seeing the Prime Minister back, and we express the hope that his good health may long continue.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I am sure I represent the views of all those in this group when I join with the other two hon. members who have spoken to welcome the Prime Minister back to the house after his illness, and to say to him we are happy he has weathered the storm and is back looking as well as he does. Let me hope the Prime Minister will not be able to say, as Sir John A. Macdonald once said, "Those leaders of the opposition, when they speak, always do make me sick".

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I appreciate the gracious speeches which have been made by the leader of the opposition (Mr. Bracken), the leader of the C.C.F. (Mr. Coldwell) and the leader of the Social Credit group (Mr. Low). On behalf of the rank and file of the Liberal party I am delighted to welcome the Prime Minister to the house. We were told that he was not well—but he looks so well. Perhaps he just wanted to meditate about public policies. But he had us all worried about him. It is a source of satisfaction now to see him looking so hale and hearty, and especially to see him with his good smile. The Prime Minister, when he smiles, is not at

all the same man as when he frowns. I prefer him when he is smiling, and I offer him our very best wishes.

Mr. BROOKS: What group are you speaking for?

Mr. POULIOT: I am speaking for all men of good will, of whom there must be quite a number in this chamber. Of course the Prime Minister may at times leave the house when he feels like it. I can tell him however that the discussions in the house and the atmosphere of it are quite different from what they are when he is outside the country. When he is within the country the only thing we have to report to him is progress.

Many members of parliament have spoken, and all have made good speeches, worthy of their constituencies. They have tried to make things as smooth as possible for the Prime Minister, so that he would have no trouble when he came back. Now he is here with us and again I extend to him our best wishes. If my hon. friend the leader of the opposition, had not spoken so well, I would have extended wishes also on his behalf.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I need scarcely say how deeply grateful I am to my hon. friend the leader of the opposition, to the leaders of other parties and to the hon. member for Temiscouata for the very kind remarks they have just made. May I say to the entire membership of the house how deeply I appreciate the kindly manner in which hon. members have received my return to my accustomed seat in this chamber.

I should like also to say how very much I appreciated the kind inquiries and messages which throughout my absence came from hon. members to Laurier House. I assure Your Honour, it has been a matter of deep regret to me to have been unavoidably absent during the past three weeks. I certainly shall do all within my power from now on not to have a repetition of anything of the kind I have recently experienced. May I say that I realize at this moment, perhaps as I never have done before, what it means to be able in health and strength to participate in the proceedings of the House of Commons, and to enjoy the companionship of one's fellow members in parliament.

I do thank hon. members most warmly for the kind welcome which they have just given to me. I shall do my best to be on hand right along, but if I should find it desirable to take things a little easy for a short time I know I may count on the understanding of hon. members of the house.

[Mr. Pouliot.]

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MATERIAL ORDERED IN CANADA BY RUSSIA AND HELD IN STORAGE

Mr. FRASER:

1. Is the Canadian government holding in storage; tools, machines, equipment, etc., ordered by the Russian government during the war?

2. If so, (a) where are these machines, equipment, etc., stored; (b) what is the value of this equipment, etc.; (c) has equipment been paid for by the Russian government; (d) does Canada pay the cost of storage; (e) what is the cost to Canada for guards, etc., to protect this equipment; (f) when is Russia taking delivery of this equipment?

Mr. McILRAITH:

1. No.

2. Anwered by No. 1.

PENITENTIARIES

Mr. CHURCH:

1. Since last session of parliament, what recommendations contained in the Archambault report on prison reform have been put into effect?

2. Has anything been done to adopt the Borstal system, recommended by this report?

3. What other improvements or changes have been made by the department since the appointment of Major-General Gibson?

Mr. ILSLEY:

1. Since the last session of parliament the recommendations contained in the Archambault report on prison reform have received detailed consideration by the commissioner appointed for that purpose, pursuant to section 4A of the Penitentiary Act, 1939. The commissioner's report which was tabled in the house on February 17th, 1947, gives details of the recommendations which have already been put into effect.

2. No. It has not been feasible to apply the Borstal system to the existing penitentiaries under the jurisdiction of the federal government. The royal commissioners, at page 199 of their report, stated: "Your commissioners are of the opinion that any satisfactory adaptation of the Borstal system is impossible in penitentiary institutions, either in its essential features or in its principles."

3. Answered by No. 1.

AMMONIUM NITRATE

Mr. BURTON:

1. What was the cost of producing ammonium nitrate by (1) the Alberta Nitrogen Products, at Calgary; (2) the Consolidated Mining and Smelting Co., at Trail; (3) the Welland Chemi-

cal Works Ltd., at Welland, during each of the years that these plants were operated by the government?

2. On what market or markets was ammonium nitrate from each of these three plants sold?

3. Is ammonium nitrate now being produced at any of these plants? If so, which of them?

4. What products are now being produced at the Welland plant?

5. To whom and/or on what markets are each of these products being sold and in what quantities?

6. In the sale of each of these plants what steps if any were taken to protect Canadian users of ammonium nitrate or other products from undue increases in prices?

7. What was the retail price of nitrate of soda, ammonium sulphate and cyanamid in 1939?

8. Which, if any, of these plants have been closed down; on what dates, and why?

Mr. McILRAITH:

1. The average cost of production per ton during the period 1940-1945 at the following plants was: (1) Alberta Nitrogen Products, $19; (2) Consolidated Mining and Smelting Company, $29; (3) Welland Chemical Works Limited, $39.

2. Chiefly in the United States, although relatively small quantities were sold in Canada and other western hemisphere countries.

3. Yes, all of them.

4. Sulphuric acid, dicyanamid and ammonium nitrate fertilizer.

5. These plants are now privately owned and operated and their transactions are not a matter of government record.

6. None, other than wartime prices and trade board powers to regulate distribution and prices.

7. Retail prices are not available. However, the wholesale price per ton, F.O.B. producers' plants or major distributing centres, in 1939 was as follows: Nitrate of soda, $42.50; Ammonium Sulphate, $38.60; Cyanimid, $43.10.

8. None have been closed.

WARTIME HOUSING—HAMILTON AND WENTWORTH COUNTY

Mr. ROSS (Hamilton East):

1. Has the corporation of the city of Hamilton, Ontario, or any member or officer thereof made representation to the Wartime Housing Limited, with respect to purchase by tenants of individual dwellings controlled by Wartime Housing Limited, in the city of Hamilton and county of Wentworth?

2. Has Wartime Housing Limited taken any steps with respect to the sale of above mentioned dwellings?

3. If so, will veterans be given preference in the purchase of such dwellings?

Mr. McILRAITH:

1. No.

2. No. However, general policy of the sale of Wartime Housing houses to tenants has been introduced. It is contingent, however, in most cases, on the municipality concerned being prepared to negotiate a new agreement permitting this sale. When this renegotiation is completed and the land surveyed, tenants are given the opportunity of purchasing under conditions outlined hereunder, or, alternatively, they may remain as tenants. The conditions of sale are:

(a) Sale is effected only to tenants.

(b) Minimum down payment of fifteen per cent and monthly minimum payments at the normal rate they now pay in the form of rent. This will include insurance, taxes, interest and capital.

(c) The tenant cannot acquire title of the property for a period of five years. The object of this restriction is to prevent resale and speculation.

(d) On completion of the agreement of sale the normal tax rate of the municipality becomes applicable.

(e) Every endeavour is made to ensure fair appraisal values when houses are sold to tenants.

3. During the war years, houses built by Wartime Housing Limited were tenanted by munitions workers, some of whom were veterans. Since July 1944 these houses were built only for occupancy by veterans. In the cases of houses which have been made available for purchase by the tenant, under circumstances as outlined in Part 2 above, the tenant, be he munitions worker or veteran, is given the opportunity of purchasing or remaining as a tenant.

VULCAN AIR TRAINING SCHOOL, ALBERTA, RAILWAY LINE

Mr. HANSELL:

1. How many miles of railway was built as a spur line between the village of Kirkcaldy, Alberta, and the Vulcan air training school?

2. What was the total cost of this railway, and was this cost borne by the public treasury?

Mr. LAPOINTE:

1. 5·5 miles.

2. Total cost, $70,041.88. Paid from Royal Canadian Air Force funds.

HOUSING—BROWNSBURG, QUE.

Mr. HEON:

1. How many units were erected by Wartime Housing at Brownsburg, Quebec, on (a) the MacVicar site; (b) the Filion site?

2. What was the cost per unit?

3. Was the land on which these units were erected purchased outright or leased, and what was the cost (a) at MacVicar's; (b) at Filion's?

4. How many units were rented, and what amount in rent was received per unit from date of occupation to date of dismantling?

5. How many units have been dismantled and re-erected at Cote St. Paul, and at what cost per unit, including transport?

6. What was the cost of laying water and sewerage lines at (a) the MacVicar property; (b) the Filion property?

7. How much was paid to the corporation of the village of Brownsburg for taking its water and sewerage lines to the Filion property?

Mr. McILRAITH:

1. (a) Fifty housing units were erected on the MacVicar site. (b) Fifty housing units were erected on the Filion site and adjacent area.

2. The unit cost of the houses built on the MacVicar site, including land acquisition, land improvements, services and equipment was $4,083.44.

The unit cost of the houses built on the Filion site, as above, was $3,858,97.

3. All land at Brownsburg was purchased at the following cost:

(a) MacVicar, $7,250; (b) Fillion, $7,458.

4. Forty-four of these houses were dismantled and moved from Brownsburg to Montreal. Rentals collected by Wartime Housing Limited between April 1943 and September 1945, when they were dismantled, amounted to $14,157.97. 8 of these 44 houses were transfered to Defence Industries Limited during the first month of operation and were administered by that organization. Further rental data therefore is not available. See schedule below for detail.

For the other 56 houses at Brownsburg, Wartime Housing Limited collected $61,823.61 in rent. Seventeen of these were transferred to and administered by Defence Industries Limited so further rental data is not available.

5. Forty-four units were dismantled and moved from Brownsburg to Cote St. Paul, Montreal. Separate costs were not maintained on this dismantling and re-erection project as an additional 35 houses were shipped from DeSalaberry, and 49 houses were shipped from Arvida, Quebec.

The average over-all cost of dismantling, moving and re-erecting on cement foundations with full excavation was $3,927.11 per unit.

6. (a) $28,048.17; (b) $12,705.09.

7. No amount was paid to the village of Brownsburg in respect of any capital expenditure involved in the installation of water and sewerage lines to Wartime Housing Limited projects. Water and sewer rates, however, have been collected by Wartime Housing Limited and turned over to the municipality as, and when, collected from the tenants.

Schedule

D.I.L. Project: House Number	Rent Collected by Wartime Housing Limited
2	$ 30 00
3	30 00
4	30 00
5	nil
6	nil
7	30 00
21	nil
22	30 00
Beurling Project:	
65	600 58
66	90 00
67	853 55
68	150 00
69	155 35
70	nil
71	497 36
72	638 00
73	419 98
74	225 00

Beurling Project: House Number	Rent Collected by Wartime Housing Limited
75	nil
76	nil
77	180 00
78	827 00
79	715 00
80	676 00
81	616 00
82	400 00
83	752 90
84	378 39
85	171 30
86	585 81
87	720 00
88	210 00
89	388 00
90	201 00
91	60 00
92	412 00
93	164 52
94	420 00
95	360 00
96	173 23
97	810 00
98	390 00
99	377 00
100	390 00
Total	$ 14,157 97

Note:—The first eight houses shown in this list were transferred to Defence Industries Limited during the first month of operation and were administered by that company. Further rental data, therefore, is not available from Wartime Housing Limited.

WHEAT AGREEMENTS WITH THE UNITED KINGDOM

Mr. COYLE:

1. What individual countries, other than the United Kingdom, have approached Canada since January, 1946, with a view to negotiating wheat agreements of one year or longer in duration?
2. With what individual countries are negotiations still proceeding?
3. With what countries were wheat export agreements arranged?
4. What were the reasons for failure to reach agreements with other countries?

Mr. MacKINNON:

1. It is not considered appropriate to disclose approaches which other countries have made to Canada looking toward obtaining supplies of wheat, either through long-term contracts or on the basis of shorter term agreements.

2. None.

3. There are no long-term agreements similar to that of the United Kingdom but a short-term arrangement was made with the Netherlands and Belgium.

4. See answer to No. 1.

GOLD RESERVES

Mr. CASE:

1. What was the total amount of gold in ounces exported from Canada during the calendar year 1946?
2. What was the total amount of gold in ounces imported into Canada during the calendar year 1946?
3. What was the total value of gold reserves held in Canada as of December 31, 1946?
4. What was the total value of bank notes in circulation in Canada as of December 31, 1946?
5. Are gold reserves held by the chartered banks in Canada, and if so, what was the total amount of of December 31, 1946?
6. Is any gold sold to foreign countries, and held in Canada, and if so, what was the amount as of December 31, 1946?

Mr. MAYHEW:

1. The total amount of gold coin and bullion exported from Canada during the calendar year 1946 was 9,831,435 fine ounces. (As all exports are included, the figure given does not necessarily reflect exports of Canadian-owned gold.)

2. The total amount of gold coin and bullion imported into Canada during the calendar year 1946 was 10,622 fine ounces. (As all imports are included, the figure given does not necessarily reflect imports of gold for the account of Canadians.)

3. This information will be made available in the report of the Foreign Exchange Control Board covering the year 1946 which, under the provisions of Section 39 of the Foreign Exchange Control Act, will be submitted to the Minister of Finance before May 30 and tabled within fourteen days of receipt.

4. The total value of Bank of Canada notes in circulation as of December 31, 1946, was $1,186,201,680.50. The total value of chartered bank notes in circulation as of December 31, 1946, was $21,422,006.

5. Under Section 28 of the Bank of Canada Act each chartered bank has been required to transfer to the Bank of Canada any gold coin or bullion owned and held by it in Canada. Consequently the chartered banks do not hold any gold in Canada apart from small amounts received from their customers and in process of being transferred to the Bank of Canada. The total amount held as of December 31, 1946, was $5.

6. Sales of gold in Canada to foreign countries in 1946 amounted to 313,915 fine ounces, of which the entire amount was held in Canada as of December 31, 1946.

INDEBTEDNESS OF OTHER COUNTRIES TO CANADA

Mr. FLEMING:

What were the amounts of government indebtedness of other countries to Canada, individually and in the aggregate, on the following dates: (a) September 1, 1939; (b) August 18, 1945; (c) January 1, 1946; (d) January 1, 1947?

Mr. MAYHEW:

Governments	August 31, 1939	August 31, 1945	December 31, 1945	December 31, 1946
Loans made in post 1914-18 war period				
Greece	$ 6,525,000 00	$ 6,525,000 00	$ 6,525,000 00	$ 6,525,000 00
Roumania	24,329,262 40	24,329,262 40	24,329,262 40	24,329,262 40
Ship Stores Advances Account, etc.				
United Kingdom	340,075 24	.....	.....	.....
Loan made under the authority of The War Appropriation (United Kingdom Financing) Act, 1942.				
United Kingdom	.....	589,693,132 32	561,279,709 22	471,910,126 06

Governments	August 31, 1939	August 31, 1945	December 31, 1945	December 31, 1946
Loans made under the authority of the Export Credits Insurance Act.				
Belgium	.....	4,633,200 00	18,000,000 00	51,000,000 00
China	.....	.....	.....	16,462,646 00
Czechoslovakia	.....	.....	700,000 00	3,875,448 00
France	.....	.....	.....	143,800,000 00
Netherlands	.....	14,267,074 60	24,967,074 60	60,396,245 89
Netherlands Indies	.....	.....	600,000 00	5,400,000 00
Norway	.....	2,500,000 00	6,200,000 00	16,406,000 00
Union of Soviet Socialist Republics	.....	1,200,000 00	2,489,500 00	2,848,171 48
Loan made under the authority of the United Kingdom Financial Agreement Act, 1946.				
United Kingdom	.....	.....	.....	540,000,000 00
Temporary advances under section 3 of the War Appropriation Acts.				
Australia	.....	.....	4,033,791 71	.....
Belgium	.....	.....	4,502,708 65	1,617,409 90
France	.....	.....	34,885,534 25	.....
India	.....	22,348,393 96	41,719,064 42	.....
Netherlands	.....	.....	4,552,829 44	3,590,898 45
United Kingdom	.....	.....	164,095,407 29	.....
Union of Soviet Socialist Republics	.....	.....	7,372,685 99	8,815,680 52
Loan for the purchase of wheat authorized by P.C. 7822 of Sept. 1, 1942.				
Union of Soviet Socialist Republics	.....	10,000,000 00	10,000,000 00	5,000,000 00
Air Training Plan Agreements.				
United Kingdom	.....	446,732,281 39	445,864,596 09	.....
Current Recoverable Accounts.				
Australia	.....	10,414 58	Cr. 34,158 03	833 66
Belgium	.....	367 04	546 43	2 50
Czechoslovakia	.....	587 77	587 77	Cr. 3 74
France	.....	8,791 60	724 32	4,407 18
Greece	.....	513 11	178 15	.....
India	.....	3,454 66	387 15	464 67
Netherlands	.....	4,747 38	4,784 12	3,316 72
Newfoundland	.....	13,548 29	4,308 04	3,583 16
New Zealand	.....	43,452 31	220,462 17	3,227 74
Norway	.....	339,716 87	96,333 41	9,899 61
Poland	.....	7,720 04	8,219 91	.....
Portugal	.....	1 44	66 00	.....
South Africa	.....	10 35	126 76	.....
United Kingdom	.....	26,366,560 04	23,256,922 56	739,421 26
United States	.....	7,220,979 82	3,981,021 56	746,367 72
Union of Soviet Socialist Republics	.....	139,781 16	260,148 26	21,812 69
Yugoslavia	.....	410 42	Cr. 224 32	.....
	$ 31,194,337 64	$1,156,389,401 55	$1,389,917,598 32	$1,363,510,222 17

N.B. The dates used in this statement are the nearest dates to those called for in this inquiry for which indebtedness totals are available.

[Mr. Mayhew.]

NATURAL AND SYNTHETIC RUBBER

Mr. DROPE:

1. What is the cost laid down in Canadian ports of natural rubber produced in the East Indies, and what would have been the cost (a) six months ago; (b) a year ago?

2. What is the present cost to the Canadian tire manufacturer of synthetic rubber manufactured by the Polymer Corporation and what was it (a) six months ago; (b) a year ago?

3. What quantities of natural rubber for automobile tires were released by the rubber controller in the last calendar year and in the last six months of 1946?

4. Was there any specific design to urge the use of the Polymer Corporation's synthetic rubber on Canadian manufacturers of automobile tires?

5. Is there any undertaking on the part of manufacturers of automobile tires in Canada in existence now to use the Polymer Corporation's synthetic rubber in quantity in the manufacture of tires?

6. Has the government the results of any comparative studies on the safety of synthetic rubber tires in comparison with natural rubber tires; (a) on icy streets in cold weather conditions normal in large sections of Canada; (b) in regard to blow-out dangers in hot weather?

7. Is there any continuing policy on the part of the government or its agencies to urge automobile tire manufacturers to use Polymer synthetic rubber rather than natural rubber?

Mr. McILRAITH:

1. The laid down cost in Canadian ports of natural rubber produced in the far east is as follows:

February 26, 1947, Winter ports, Halifax, N.S., or Saint John, N.B., 22·533 cents per pound.

August 26, 1946, Summer port, Montreal, Quebec, 22·033 cents per pound.

February 26, 1946, Winter ports, Halifax, N.S., or Saint John, N.B., 24·194 cents per pound.

2. The cost to the Canadian tire manufacturer of synthetic rubber is as follows:

Date—GR-S and Butyl

February 26, 1947—18·5 cents per pound, plus equalized freight of ½ cent per pound.

August 26, 1946—20·35 cents per pound plus freight (see note).

February 26, 1946—20·35 cents per pound, plus freight (see note).

Note:

Freight on orders for 60,000 pounds or more for one delivery, 3/10 cent per pound.

Freight on orders for 20,000 pounds or more for one delivery 6/10 cent per pound.

Freight on orders for 2,000 pounds or more for one delivery, 1 cent per pound.

Freight on orders for less than 2,000 pounds, for one delivery, 2½ cents per pound.

Freight on orders for less than 1 package for one delivery, 10 cents per pound.

3. Since September 12, 1945, there has been no control over the quantity of natural rubber that may be purchased for the manufacture of automobile tires. The amount of natural rubber used per tire however, is restricted according to the size and type of tire manufactured.

4. No.

5. No. However, all manufacturers of automobile tires have signified their intention of continuing to use GR-S in quantity.

6. No.

7. No.

NAVAL ESTABLISHMENTS AT ST. HYACINTHE, QUEBEC

Mr. LENNARD:

1. Have any properties at St. Hyacinthe, province of Quebec, formerly occupied by naval establishments been disposed of, (a) sold; (b) leased?

2. If so, to whom and at what figure?

Mr. McILRAITH:

1. (a) Yes.

(b) No.

2. Two sales have been made:—

(i) A property consisting of 9 buildings and 349,973 sq. ft. of land was sold to J. A. & M. Côte, Limited, boot and shoe manufacturers, for $35,000.

(ii) 39 buildings, erected on land leased from the province of Quebec, were sold to the province for $15,000. This sum was in consideration of the dominion government being released from all obligations arising out of the lease including the obligation to remove the buildings from the land and the cost of restoration of the land.

CANADIAN NATIONAL RAILWAYS—EMPLOYEES' PENSIONS

Mr. POULIOT:

How many former employees of the Canadian National Railways are in receipt of a pension (a) of less than $45 per month; (b) of less than $75 per month, and (c) of less than $100 per month?

Mr. CHEVRIER: It has not been the practice in the past to answer these questions, particularly when the information is available before the committee on railways and shipping. I have spoken to my hon. friend about it and he has been kind enough to say he will await the sittings of the committee.

Question dropped.

ALUMINUM PLANTS AT KINGSTON

Mr. COLDWELL:

1. Who is the owner of the aluminum fabricating and alloy tubing plants at Kingston, Ontario?
2. What was the original cost of their erection?
3. Did Canada make any contribution to this original cost?
4. Are these plants now owned by Canada? If so, what amount was involved in securing these properties?
5. To whom were these plants rented?
6. What was the monthly or annual rental?
7. What total amount was received in rent (a) between January 1, 1944 and January 1, 1945; (b) between January 1, 1945 and December 31, 1946?
8. Are these properties being used at the present time? If so, by whom and upon what terms?

Mr. McILRAITH:

1. Aluminum Company of Canada Limited.

2. The U.K. government paid $6,808,300 for the erection of these plants.

3. No.

4. Answered by 1.

5. To the Aluminum Company of Canada Limited.

6. Year ended—

September 30, 1941	$430,514
September 30, 1942	544,780
September 30, 1943	541,627
September 30, 1944	469,329
September 30, 1945	417,009
October 1 to December 31, 1945.....	95,212

Note: Rental to March 31, 1943 was paid to U.K. government and after this to the dominion government.

7. (a) None.
(b) $805,725.

8. Yes. See answer to No. 1.

SHORTENING

Mr. KNOWLES:

1. What were the retail prices of shortening per pound, prior to the lifting of the price ceiling thereon, in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton and Vancouver?
2. What were the prices of shortening per pound three days after the lifting of the price ceiling thereon in each of the foregoing cities?
3. Has the government received protests against the sudden increases in the prices of shortening?
4. Are any steps being taken by the government (a) to restore the prices of shortening to their former level; (b) to prevent sudden increases in food stuffs and other necessities?

Mr. MAYHEW:

1. The price ceiling on shortening has not been removed. It was increased on February 1st to reflect a reduction in the subsidy payable on oils and fats used in shortening production. Prices listed in column 1 consist in manufacturers' basic period ceiling price plus wholesale and retail percentage markups established by wartime prices and trade regulations. Prices listed in column 2 consist in manufacturers' basic period ceiling price plus 8½c per lb. increase of February 1, 1947, and same percentage markups as in column 1.

(1) Previous

	Chain Stores cts. per lb.	Independent cts. per lb.
Halifax	19	21
Montreal	19	21
Ottawa	19	21
Toronto	19	21
Winnipeg	..	19
Winnipeg Department Stores	20-21	..
Winnipeg Large Chains..	18	..
Regina	21	23
Edmonton	18	22
Vancouver	18	21

(2) Present

	Chain Stores cts. per lb.	Independent cts. per lb.
Halifax	30	32
Montreal	30	32
Ottawa	30	32
Toronto	30	32
Winnipeg	..	29
Winnipeg Department Stores	32-33	..
Winnipeg Large Chains..	28	..
Regina	32	33
Edmonton	28	32
Vancouver	28	32

2. Those indicated in column 2 above.

3. Yes.

4. (a) No.
(b) Yes.

IMMIGRATION FROM BRITAIN

Mr. KIDD:

How many British immigrants entered Canada from April 1, 1930 to March 1, 1945?

Mr. GLEN: British immigration to Canada April 1, 1930, to March 31, 1945—102,348.

Note—Immigration statistics cover fiscal years, therefore, figures have been given to March 31, 1945, and not March 1, 1945, as asked for.

CONSTRUCTION OF HOUSES IN CANADA

Mr. KNOWLES:

1. How many houses were built in Canada during the first year after the war? What is the breakdown by provinces and municipalities?

2. How many houses were built in Canada during 1945? What is the breakdown by provinces and municipalities?

3. How many houses were built in Canada during 1946? What is the breakdown by provinces and municipalities?

Mr. McILRAITH:

1. No estimate has been prepared of the number of dwelling units completed in Canada during the first year after the war i.e. August 15, 1945 to August 15, 1946.

2. A full answer to this part of the question cannot be given. The figure of 47,767 new dwelling units estimated to have been completed during 1945 has as its base an actual count of sample areas throughout Canada. These sample areas consist of some 623 municipalities out of a total of 3,845 or approximately 66 per cent of the total population of incorporated municipalities plus certain unorganized areas of the provinces and the northwest territories and Yukon. The actual count of these sample areas yielded a total of some 33,000 new dwelling units completed during 1945. A detailed breakdown by municipalities of the units completed in the sample areas during 1945 is to be found in table II of "Supplement to Housing Statistics 1945" and table I of "Housing Statistics for the six months ending June 30, 1946." Both documents are published by the Dominion Bureau of Statistics.

3. A complete answer to this part of the question cannot be given either. A recent estimate by the Dominion Bureau of Statistics shows that 59,846 housing units were completed in the calendar year 1946. This estimate is based upon actual reports from 623 urban municipalities and a representative sample of rural municipalities and unorganized territories. Final results will be available at a later date.

HOUSING—VETERANS LAND ACT—HANTS COUNTY, N.S.

Mr. STANFIELD:

1. How many veterans' houses were completed at Falmouth, Hants conuty, Nova Scotia?
2. What was the total cost of these houses?
3. How many houses have been sold?
4. What was each sold for?

Mr. TUCKER:

1. Five.
2. Final cost figures are not yet available.
3. Three allocated.
4. Definite sale prices not yet fixed.

EMERGENCY LANDING STRIPS

Mr. FULTON:

1. Has any decision been reached with regard to the maintenance of the emergency landing strips constructed during the war?
2. If so, what is the decision?
3. Is it contemplated that financial assistance will be given to municipalities desirous of maintaining these strips in the interest of public safety?

Mr. McILRAITH:

In so far as the Department of Transport is concerned:

1. Yes.
2. The department is arranging for availability of such emergency landing fields as are considered necessary in the interests of civil aviation.
3. No.

TAX REFUNDS AND REMISSIONS

Mr. BARRETT:

1. During the calendar year 1946, what was the total amount of refunds and/or remissions of (a) customs duties; (b) excise duties; (c) excise taxes?
2. To whom was each such refund or remission paid and what was the amount of each?
3. What was the reason for each such refund or remission?

Mr. McCANN:

1. Refunds: (a) Customs duties, $3,899,758.23; (b) Excise duties, $811,246.53; (c) Excise taxes, $10,244,272.79. Total $14,955,277.55.

Remissions:

(a) Customs duties and taxes on imported goods, $4,146,528.64; (b) Excise duties, $10,669.33; (c) Excise taxes, $81,652.36. Total $4,238,850.33.

In addition a number of orders in council were passed covering remissions of duty and taxes of a general nature, the amounts of which are not available.

2 and 3. Customs refund claims are paid for various reasons, such as errors on customs invoices in values or quantities; goods lost in transit outside Canada; goods damaged in transit before entry at customs; goods wrongly classified on the customs entry and the incorrect duties and taxes paid; goods sold after importation under conditions rendering them subject to free entry or to a lower rate of duty or exempt from taxes; perfecting sight entries by filing of proper customs invoices; refunds on goods returned as not according to order; sundry appraisals and special rulings, and vary from small amounts such as 58c, 65c and 79c to large sums of money. Answers to these questions would involve the examination of approxmately 75,000 refund claims and it is estimated would require the services of ten or more employes for a period from two to three months.

WAR ASSETS—CANADA STRIP MILLS

Mr. MENARY:

How much did the government and/or war assets corporation receive from Noranda Mines Limited or its associates for the plant known as Canada Strip Mills, of Montreal East?

Mr. McILRAITH: Canada Strip Mills was sold to Noranda Mines Limited for $1,372,-260.08.

LUNENBURG SEA PRODUCTS LIMITED—TRAWLERS AND DRAGGERS

Mr. GILLIS:

1. Were any trawlers and draggers now owned by the Lunenburg Sea Products Limited of Nova Scotia built with government assistance? If so, how many?

2. What was the total cost of each craft and upon what terms was the assistance given by the government?

3. What depreciation allowance was made on each craft?

Mr. BRIDGES:

1. Two draggers were built by the Lunenburg Sea Products with government assistance.

2. As to the total cost of each vessel there is no information in the Department. (The total cost is unknown in view of the fact that a subsidy was paid on the tonnage basis and not on the basis of the cost of the vessel.) The amount of subsidy paid on each vessel was $165 per ton (gross tonnage). The subsidy was paid on the terms and conditions set out in the orders in council, P.C. 7580 of August 26, 1942, as amended by P.C. 3297 of April 22, 1943.

3. The Department has no knowledge of what depreciation allowance was made on each craft as this is a matter between the owner as a tax-payer and the Department of National Revenue. The depreciation allowance, which the owner of the craft is entitled to claim, however, is set forth in the Orders in Council referred to in the answer to question No. 2.

WAR ASSETS—PORT ALBERT AIR STATION

Mr. ROBINSON (Bruce):

1. What buildings have been sold by the war assets corporation for the Port Albert air station?

2. To whom were they sold?

3. What was the selling price of each building?

Mr. McILRAITH:

Building Numbers	Description	Sold To	Selling Price
6	N.C.O.'s Quarters	Dept. of Education, Ont.	$ 1,598
17	Large Canteen	Dept. of Education, Ont.	1,466
21D	Office and Workshop	Dept. of Education, Ont.	528
23	Workshop	Dept. of Education, Ont.	674
25	Dental Clinic	Dept. of Education, Ont.	264
26	N.C.O.'s Quarters	Dept. of Education, Ont.	1,637
31	Hostess House	Dept. of Education, Ont.	404
30	W and B Maintenance Section	Dept. of Public Works, Ont.	1,120
34	Depot Service Garage	Dept. of Public Works, Ont.	315
21A	4 Bay Garage	County of Huron	234
21B	9 Bay Garage	County of Huron	505
21C	4 Bay Garage	County of Huron	234
18	Recreation Hall	Town of Preston	1,508
22	Guard House and Post Office	Town of Wingham	548
4	Officers Quarters	Town of Mitchell	2,090
3	Officers Quarters	Town of Paisley	2,143
16	Drill Hall	Town of Paisley	3,200
7	N.C.O.'s Mess	Village of Lucknow	1,214
2	G.I.S. and Control Tower	Village of Lucan	10,127
15	Hospital	Alexander Marine and General Hospital, Goderich.....	3,871
5	Officers Quarters	Walkerton Branch Cdn. Legion...	1,980
9	O.R.'s Quarters	Port Elgin Branch Cdn. Legion...	1,750
14	Small Canteen	Port Elgin Branch Cdn. Legion...	750
1	Headquarters	Ailsa Craig Branch Cdn. Legion..	975
20	Civilian Quarters	Mitchell United Church.....	1,311

NOTE: The selling price was in consideration of the purchasers removing the buildings from the sites and restoring the land to its original condition.

WHEAT—QUANTITIES SUPPLIED AT 77⅜ CENTS PER BUSHEL

Mr. FAIR:

From January 1, 1942, to December 31, 1946, how many bushels of wheat were supplied by the Canadian wheat board at 77⅜ cents per bushel to (a) millers; (b) distillers; (c) others?

Mr. MacKINNON: Wheat sold at 77⅜ cents per bushel—(a) to mills, 511,122,10 bushels. (b) No sales to distillers at this price. (c) To others, 61,602,20 bushels.

PUBLIC WORKS—PAYMENTS PRIOR TO COMPLETION OF WORK OR DELIVERY OF MATERIAL

Mr. MENARY:

1. Were payments made to firms or individuals from 1939 to date by the Department of Public Works prior to completion of work and/or delivery of material?
2. If so, to what firms or individuals and what amounts were paid to each of them?
3. Why were such amounts paid prior to completion of work and/or delivery of such material in each case?

Mr. FOURNIER (Hull): Under indentured form of contracts provision is made for progress payments on the value of the work done monthly and a remaining percentage paid within two months of the completion of the contract.

There is also provision that every allowance to which a contractor is fairly entitled shall be included in the progress payments.

In the un-indentured contracts (below $5,000) the same procedure is followed. In the case of hull and machinery repairs to ships, or the building of new small ships, the material to do such work is considered as coming from the contractor's stock, which may be replenished at some later date.

MOUNTED POLICE—SUBVERSIVE ACTIVITIES

Mr. STEWART (Winnipeg North):

1. Does the R.C.M.P. prepare and keep dossiers on individuals suspected of subversive activities?
2. Are such dossiers available for inspection (a) by individuals concerned; (b) by members of parliament?
3. How many such dossiers are in existence?

Mr. ILSLEY:

1. Reports on individuals suspected of subversive activities have at times been prepared in the ordinary course of police investigation.

2. (a) No.
(b) No.

3. This information is considered confidential and its disclosure would be against the public interest.

MOUNTED POLICE—SECRET INTELLIGENCE BULLETIN

Mr. STEWART (Winnipeg North):

1. Is a secret intelligence bulletin or similar document prepared and used by the R.C.M.P.?
2. If so, on what authority is this done?
3. Who is the editor?
4. What are his qualifications?
5. How often does the bulletin appear?
6. What is the cost per annum?
7. How many copies are distributed (a) in Canada; (b) elsewhere?
8. Is it available to members of parliament?
9. Is it distributed outside government circles?

Mr. ILSLEY:

1. Yes.
2. The commissioner.
3. The commissioner.
4. Those of commissioner.
5. Once a month.
6. Not determined.
7. (a) One to each division. (b) None.
8. No.
9. No.

MOUNTED POLICE—INTELLIGENCE BRANCH

Mr. STEWART (Winnipeg North):

1. Who is the head of the intelligence branch of the R.C.M.P.?
2. What is his salary, and what are his special qualifications for this work?
3. What are the responsibilities of the intelligence branch as officially defined?
4. How many members of the R.C.M.P. are employed in this branch and what special training and qualifications are they required to possess?

Mr. ILSLEY:

1. The R.C.M.P. has no branch designated "Intelligence Branch."
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.

IMMIGRATION—SELECTION

Mr. STEWART (Winnipeg North):

1. Are any lists of names of people eligible for entry to Canada as immigrants compiled and selected in Canada and sent to Canadian immigration officers in other countries?
2. If so, who makes the selection?
3. What are the criteria?
4. What names are on the list?

Mr. GLEN:

1. No. Cases come before the immigration service in Canada on individual applications filed by the interested person in Canada and are investigated. Upon approval of each case the appropriate immigration officer overseas is advised accordingly.

2, 3 and 4. Answered by No. 1.

WHEAT—SALES BY MONTH, 1945-47

Mr. BENTLEY:

What amount of wheat was sold by the wheat board, month by month, to (a) Canadian millers; (b) Canadian distillers; (c) all other domestic buyers, during the crop year 1945-46 and crop years 1946-47 to February 17, 1947?

Mr. MacKINNON:

Wheat sold during crop year 1945-46, and crop year 1946-47 (to January 31, 1947):

	bushels
(a) To mills	76,872,873-57
*(b) Distillers	4,594,823-50
(c) To others	53,052,026-28

Monthly figures not available.

* Many distillers are large feed dealers. This figure represents total sales, including wheat used for feed purposes, in addition to that used for the distillation of commercial and beverage alcohol.

There have been no sales to distillers since early in December, 1946.

WAR ASSETS—MOTOR VEHICLES

Mr. MURPHY:

1. What trucks, tractors or motor vehicles of any kind were sold by any department of the government or war assets corporation to purchasers in Windsor, Ontario, between July 1, 1946 and December 31, 1946?

2. What are the names of purchasers; what was purchased by each of them and at what price?

3. Were such sales by tender?

4. Was any tender accepted and later rejected and the goods sold to other person or persons in Windsor?

5. If so, what are the particulars with respect to purchase price; goods: name of purchaser and name of purchaser whose tender was rejected?

Mr. McILRAITH:

1. War Assets corporation sold 535 trucks, tractors and other motor vehicles to purchasers in Windsor, Ontario, between July 1, 1946, and December 31, 1946.

2. The following is a list of purchasers, the number of vehicles purchased by each and the respective price at which they were purchased:

Used Trucks, Tractors and Other Motor Vehicles

Name of Purchaser—Description—Total cost to Purchaser

Webster Motor, Windsor, Ontario, 2—15 cwt. military type Ford trucks, $265.

Noble Duff, 334 Dougall Avenue, Windsor, Ontario, 1—15 cwt. military type Ford truck, $176; 1—15 cwt. military type Ford truck, $132; 4—15 cwt. Ford vans, $1,114.

J. T. Labadie Ltd., 1—G.M.C. 4 x 4 tractor, $1,249.40.

[Mr. Glen.]

J. T. Labadie Ltd., 465 Goyeau Street, Windsor Ontario, 1—G.M.C. heavy utility personnel carrier, $329.50; 1—G.M.C. heavy utility personnel carrier, $328.53; 1—G.M.C. 3-ton truck, $611.32; 1—G.M.C. tractor, $475.31; 1—G.M.C. 3-ton truck, $833.63; 1—G.M.C. 15 cwt. truck, $365.50.

G. Tate Easton Ltd., 731 Goyeau Street, Windsor, Ontario, 1—G.M.C. heavy utility personnel carrier, $329.50; 2—G.M.C. heavy utility personnel carriers, $765.06; 1—G.M.C. 3-ton truck, $611.32; 1—G.M.C. 15 cwt. truck, $365.50; 1—G.M.C. tractor, $402.19.

Windsor Motorcycle Sales & Service, 2504 Howard Avenue, Remington Park, Windsor, Ontario, 7—Harley Davidson Motorcycles, $840; 13—Harley Davidson Motorcycles, $2,470.

Abbey Gray Ltd., Windsor, Ontario, 2—Dodge 2-ton stake body trucks, $1,055.36.

New Trucks

Name of Purchaser—Description—Unit Price

Romeo Machine Shop, 492—Ford 3-ton army type 158" wheelbase, four-wheel drive, right-hand steering, $500.

These trucks had been prepared for shipment to Allied Armies Overseas during the war where they were to have been assembled in Ford Motor Company plants. They were packed in units of twelve in completely knocked-down state and consisted of chassis and cab only, no tires or bodies being included. They were offered for domestic sale only and not for export.

3. The used trucks, tractors and other motor vehicles were disposed of to dealers, in accordance with established sales policy at prices set by War Assets corporation under Wartime Prices and Trade Board ceilings.

The new trucks were disposed of by inviting prospective purchasers, through the Press, to submit bids to the corporation. The high bids were accepted.

4. No.

5. Answered by 4.

LUMBER FOR SHIPMENT TO BRITAIN

Mr. REID:

1. Has the government information regarding any agreement recently arrived at between British interests or representatives and British Columbia lumber concerns regarding the purchase and sale of lumber for delivery in Great Britain?

2. If so, what are the terms of any such lumber purchases or sales with particular reference to the prices to be paid and the quantities of lumber negotiated for?

Mr. McILRAITH:

1. The government has no official information covering any agreement between the

British timber controller and British Columbia lumber concerns, either as to the amount of lumber ordered or the prices to be paid. However, it is understood a tentative agreement has been reached between the British timber control and individual exporters in the Vancouver forest district, which is subject to ratification by the British government.

2. Answered by No. 1.

EXPORT CREDITS INSURANCE—SHIPS OR BARGES

Mr. WINTERS:

1. Of the $145,400,000 advanced to France under the authority of the Export Credits Insurance Act up to January 31, 1947, how much has been applied against the construction or purchase of ships or barges?

2. How many wooden ships or barges have been contracted for under these credits and where have the contracts been placed?

3. Were tenders invited in each instance before contracts were placed?

Mr. MacKINNON:

1. $24,354,677.78.

2. None from new production.

3. Yes, tenders were invited by the Mission de la Marine Marchande Francaise au Canada.

WHEAT TAKEN OVER BY WHEAT BOARD ON SEPTEMBER 27, 1943

Mr. WRIGHT:

1. What was the total amount of wheat taken over by the wheat board for the dominion government on September 27, 1943?

2. What amount of such wheat was sold each day to what countries, and what companies, organizations or individuals was it sold?

3. What was the date and amount, in bushels, of each sale made?

4. What was the price obtained in each case?

5. What was the Chicago market price on the corresponding day of each sale?

Mr. MacKINNON: I believe the hon. member has consented to allowing this question to be dropped on the understanding that he will be given an opportunity to ask the question and obtain the information when the report of the Canadian wheat board is before the committee on agriculture.

Mr. SPEAKER: Dropped.

MILLING DRAWBACK ON LOCAL GROWN WHEAT

Mr. FULTON:

Will the milling drawback on local grown wheat now be paid to flour mills milling such wheat in deficit feed grain areas in order to increase the amount of wheat used for human consumption?

Mr. MacKINNON: There is no change in the wheat eligible for the drawback involved in the recent increase in the domestic price. As far as local grown wheat is concerned, the drawback is paid only to mills in the designated area of Manitoba, Saskatchewan and Alberta and those parts of British Columbia known as the Peace River district and the Creston-Wynndel area. Local grown wheat used by mills outside the designated area is not eligible for the drawback.

WAR ASSETS—HANGARS

Mr. WHITE (Hastings-Peterborough):

1. How many air force hangars have been disposed of in the province of Ontario, since January 1, 1945 (a) to municipalities; (b) to other purchasers, through war assets corporation?

2. What amount has been realized on the sale of such hangars?

Mr. McILRAITH:

1 and 2.

One hangar located at Cayuga was sold to the province of Ontario, together with land and other buildings. services and fencing for $12,000. The province also undertook at its own expense three very intricate land surveys, the cost of which was taken into consideration by the corporation.

One hangar located at Toronto Downsview was sold to DeHavilland Aircraft under special agreement as sale also included two other buildings at an overall price of $150,000. These buildings were sold for use on their original site.

One hangar located at Brantford was sold to Clare Brothers & Company Limited, Preston, Ontario, for $7,500. In this particular case, restoration costs of $1,000 had to be taken into consideration as the hangar was sold for removal from its present site.

Two hangars located at St. Thomas, Ontario, were sold to the County of Elgin together with two other buildings for $3,000. This sales price is low due to the heavy restoration costs involved as the Crown was obligated to remove concrete flooring and aprons and replace with suitable top soil. These hangars were sold for removal from their present locations.

WARTIME PRICES AND TRADE BOARD—MONCTON

Mr. ROBINSON (Bruce):

1. How many persons are employed by the wartime prices and trade board at Moncton, New Brunswick?

2. How many of the above are (a) veterans of world war I or world war II; (b) non-veterans; (c) persons who are in receipt of a pension other than pensions for service in the Canadian armed forces?

Mr. MAYHEW:

1. Ten.

2. (a) Three; (b) seven; (c) none to our knowledge.

WARTIME PRICES AND TRADE BOARD—PROSECUTIONS, HASTINGS COUNTY, ONTARIO

Mr. WHITE (Hastings-Peterborough):

1. How many prosecutions by the wartime prices and trade board were instituted in the county of Hastings in each of the years 1945 and 1946?

2. What is the total amount of fines levied in such prosecutions?

3. What is the total amount paid to legal firms and solicitors in connection with such prosecutions (a) in legal fees; (b) in travelling and other expenses?

4. What is the total amount paid to investigators in connection with such cases (a) in salaries; (b) travelling and other expenses?

Mr. MAYHEW:

1. Instituted in 1945, 40; 1946, 33.

2. Total fines levied in 1945, $355; 1946, $995.

In each instance, part of these totals might be fines upon charges which have been instituted in the calendar year preceding their levy.

3. The Department of Justice taxes the accounts submitted by its agents and forwards to the wartime prices and trade board a certificate showing the amount of such taxation but not distinguishing the portion thereof which might be assignable to fees or to disbursements.

Solicitors' accounts were taxed at a total of: $1,231.98 in 1945; $679.91 in 1946.

Again, these payments may relate in part to prosecutions instituted in the calender year preceding the taxation.

4. The investigators of the wartime prices and trade board stationed in the county of Hastings are employed on a full time basis and are constantly engaged in making surveys and investigations of price infractions. Out of a large number of investigations made only a few cases ever reach the courts. It is impossible therefore to apportion that part of their salaries and travelling expenses which apply to particular cases. However, the following total amounts have been paid to investigators in the county of Hastings:

(a) Salaries, $8,496.46 in 1945; $10,948.80 in 1946.

(b) Travelling expenses, $1,799 42 in 1945; $4,010.85 in 1946.

BRITISH PREFERENTIAL TARIFF

Mr. THATCHER:

1. What steps have been taken by the government to re-impose pre-war British preferential tariff rates?

2. Were any conversations or negotiations carried on with the British government in this regard before the decision was reached?

[Mr. Mayhew.]

3. Did the British government, officially or unofficially ask that the wartime rates be continued?

4. Has the British government announced similar tariff increases on any Canadian goods?

Mr. MAYHEW:

1. In 1940, many British preferential rates were temporarily eliminated, or substantially reduced below the rates in effect in 1939, as a wartime measure under the War Exchange Conservation Act. As provided under this Act, these reductions are 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. In view of the impending tariff negotiations and the obligation to inform other governments of the base date from which Canada will negotiate, an order in council P.C. 5356 dated December 30, 1946, has been passed providing for the issue of a proclamation on June 30, 1947, terminating the War Exchange Conservation Act, 1940.

2. No.

3. No.

4. No. The United Kingdom had not made similar reductions during the war period.

WARTIME HOUSING—APPRAISAL FOR SALE TO TENANTS

Mr. STEPHENSON:

1. How is the appraisal value of wartime housing houses arrived at for the purpose of sale thereof to tenants?

2. What relationship does such appraisal value bear to actual cost?

3. What instructions are issued by the government or Wartime Housing Ltd., or Central Mortgage and Housing Corporation to those charged with appraising the value of such houses?

4. How are such persons appointed, and to whom are they responsible?

5. What are the names of such persons; where are they located, and what territory is assigned to each?

Mr. McILRAITH:

1. The appraisal value is based on the following factors, at the present time:

(a) General state of maintenance and repair, with particular attention paid to condition of joists and supporting posts.

(b) General character of the district and the trend of development.

(c) Favourable or unfavourable influences which may affect the future value. Value and type of houses in the immediate neighbourhood.

(d) Economic trend.

(e) Assessed value and rental range of other houses in the immediate neighbourhood.

(f) Landscaping of the lot.

(g) Utilities, services, community planning and zoning regulations in the area.

2. Appraisal value varies considerably with the original cost not only across the country but also in particular projects. Sufficient houses have not been sold to establish a reliable relationship.

3. Answered by No. 1.

4. Persons carrying out the appraisal are employees of the Central Mortgage and Housing Corporation.

5. The work of appraising houses for sale to tenants has not as yet progressed sufficiently to enable this part of the question to be answered.

SEA CADET CORPS

Mr. LENNARD:

1. Has any limitation been set on the complement of sea cadet corps?

2. Have any officers of sea cadet corps been asked to resign, or will they be asked to resign to reduce complements?

Mr. LAPOINTE: The information required by the above questions is contained in a return to an order of the House of Commons on this subject by Mr. Pearkes.

SOLDIER SETTLERS—BRITISH COLUMBIA

Mr. IRVINE:

1. Has the government taken steps to classify and list such lands in British Columbia as the department concerned is prepared to take over and administer for soldier settlers?

2. If so, what area or areas have been so classified and are they now open for settlement?

Mr. TUCKER:

1. Information as to lands made available by the province for Veterans' Land Act settlement may be obtained from provincial land offices. The suitability of individual parcels of land is determined when application for assistance in becoming established thereon is made by qualified veterans.

2. Answered by No. 1.

DARTMOUTH BRIDGE

Mr. MERRITT:

1. Have any surveys been undertaken recently into the cost of erecting the Dartmouth bridge?

2. If so, what conclusions were reached in such surveys?

Mr. CHEVRIER:

In so far as the Department of Transport is concerned:

1. No.

2. Answered by No. 1.

SUGAR QUOTAS

Mr. HAMEL:

1. By provinces, what is the number of new sugar quotas granted since June 1, 1945?

2. Of the persons granted such quotas, how many are (a) veterans; (b) veterans entitled to a particular priority; (c) non-veterans?

Mr. MAYHEW:

1. By provinces, the number of new sugar quotas granted since June 1, 1945, is as follows:

Quebec	54
Ontario	167
Nova Scotia	58
New Brunswick	27
Prince Edward Island	7
Manitoba	18
British Columbia	83
Alberta	33
Saskatchewan	27
Total	474

2. Sugar quotas were granted as follows:

(Bakers)

(a) Veterans not entitled to a priority:

Quebec	15
Ontario	18
Nova Scotia	5
New Brunswick	..
Prince Edward Island	..
Manitoba	4
British Columbia	16
Alberta	3
Saskatchewan	3
Total	64

(b) Veterans entitled to a priority:

Quebec	35
Ontario	148
Nova Scotia	53
New Brunswick	27
Prince Edward Island	7
Manitoba	14
British Columbia	65
Alberta	29
Saskatchewan	23
Total	401

(c) Non-Veterans:

Quebec	4
Ontario	1
Nova Scotia	..
New Brunswick	..
Prince Edward Island	..
Manitoba	..
British Columbia	2
Alberta	1
Saskatchewan	1
Total	9

INCOME TAX—NEW BRUNSWICK FARMERS

Mr. HATFIELD:

1. What was the amount of income tax paid by farmers in the province of New Brunswick for each year including 1940 to date?

2. What was the amount of total income tax paid outside of towns and cities in New Brunswick for each year including 1940 to date?

Mr. McCANN:

1. For 1940 taxation year information not compiled; 1941—$6.601; 1942—$11,139. For years subsequent to 1942 the information is still being assembled.

2. No record has been maintained in the past of taxes payable by residents of towns and cities as distinct from those outside towns and cities except that farmers are recorded as a separate class. Beginning with the year 1946 a separate record is being maintained of taxes payable by those living in communities of 2,500 or less.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

Mr. STOKES:

1. How many individual marketing agreements have been made each year by the Minister of Agriculture under the provisions of the Agricultural Products Co-operative Marketing Act of 1939?

2. What were the names of the cooperative associations with which such agreements were made in each year?

3. What was the cost to the government of fulfilling each separate agreement?

Mr. GARDINER:

1. Individual marketing agreements have been made each year as follows: 1939, 11; 1940, 7; 1941, 6; 1942, 6; 1943, 1; 1944, 1; 1945, 3; 1946, 2; 1947 to date, 3.

2. The names of the co-operative associations and processors with which such agreements were made in each year are as follows:

1939 Agreements

Saskatchewan Honey Producers' Co-operative Association, Fort Qu'Appelle.

Manitoba Co-operative Honey Producers' Limited, Winnipeg.

Saskatchewan Alfalfa Growers' Co-operative Marketing Association, Prince Albert.

The Ontario Onion Growers' Co-operative Limited, Leamington, Ontario.

Saskatchewan Registered Seed Growers' Limited, Moose Jaw, Saskatchewan.

The Canadian National Silver Fox Breeders' Association.

The Dominion Silver Fox Furs Limited, Summerside, P.E.I.

Charlottetown Fur Sales Limited, Charlottetown, P.E.I.

Prince Edward Island Fur Pool Limited, Summerside, P.E.I.

[Mr. Mayhew.]

L'Association Des Eleveurs de Renards de la Province de Quebec.

Dominion Fur Auction Sales Limited, Winnipeg, Manitoba

Soudack Fur Auction Sales Limited, Winnipeg, Manitoba.

Edmonton Fur Auction Sales Limited, Edmonton, Alberta.

Little Bros. Fur Sales Agency Limited, Vancouver, B.C.

Maritime Fur Pool Limited, Moncton, N.B.

1940 Agreements

Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

Saskatchewan Honey Producers' Co-operative Limited.

Alberta Honey Producers' Association.

Victor Fox Foods (Western) Limited, Calgary, Alta.

Western Canada Fur Pool, Winnipeg, Man.

Canadian National Silver Fox Breeders' Association.

Syndicat Co-operative des Producteurs de Fourrures.

1941 Agreements

Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

Alberta Honey Producers' Co-operative Association.

Saskatchewan Honey Producers' Co-operative Marketing Association.

Manitoba Co-operative Honey Producers' Limited.

Pelee Island Co-operative Association.

Western Canada Fur Pool.

1942 Agreements

The Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

Manitoba Co-operative Honey Producers' Limited.

Western Canada Fur Pool.

Ontario Fur Farmers Co-operative.

The British Columbia Mink Breeders Association.

The Quebec Fur Breeders' Co-operative.

1943 Agreement

The Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

1944 Agreement

The Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

1945 Agreements

Two agreements with The Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

Le Syndicat des Producteurs de Patates de Shipshaw.

1946 Agreements

The Saskatchewan Forage Crop Growers' Co-operative Marketing Association.

Le Syndicat des Prodcteurs de Patates de Shipshaw.

1947 Agreements to date

Canadian National Silver Fox Breeders' Association.

Prince Edward Island Fur Pool Limited.

The Hudson's Bay Company.

3. To date there has been no cost to the government under any agreement.

IMMIGRATION EXAMINATION CENTRES

Mr. TIMMINS:

1. How many immigration examination centres has Canada in the British Isles and Europe, and where are they located?

2. Has Canada resident doctors at each station and if so, how many?

3. In what immigration centres have the doctors X-ray equipment for examination of immigrants?

Mr. GLEN:

1. Immigration staffs are located in London, England; The Hague, Holland; Brussels, Belgium; and Paris, France. Provision has been made also for immigration examination at the following Canadian missions—Oslo, Norway; Copenhagen, Denmark; Athens, Greece; Lisbon, Portugal.

2. Canadian medical officers are attached to immigration staffs as follows: 4 medical officers in London, 1 in The Hague, 1 in Brussels and 1 in Paris.

3. None.

SOIL PIPE

Mr. McCULLOUGH (Assiniboia):

What quantities of soil pipe were produced in Canada for each of the years 1939 to 1944 inclusive; what are the names of the companies engaged in this production, and how much did each company produce in each year, 1939 to 1946 inclusive?

Mr. McCANN:

Production of soil pipe and soil pipe fittings in Canada

Year	Tons
1939	16,462
1940	23,695
1941	26,373
1942	20,943
1943	14,226
1944	15,255

Manufacturers of Soil Pipe and Soil Pipe Fittings, 1946

Anthes Foundry Limited, Saskatchewan Ave., Winnipeg, Man.

Associated Foundry Limited, 4080 Nanaimo St., Vancouver, B.C.

Bibby Foundry, Galt, Ont.

Capt Foundry Ltd., Cap de la Madeleine, Que.

Imperial Iron Corporation Ltd., St. Catharines, Ont.

La Fonderie Paquette Enrg., Laprairie, Que.

Lincoln Foundry Co., St. Catharines, Ont.

Magog Foundry Limited, Magog, Que.

Melanson's Foundry, 2340 Ville Marie St., Montreal, Que.

McDonnell Metal Manufacturing Co. Ltd., 75 West Third Ave., Vancouver, B.C.

Terreau & Racine Ltd., 196-225 St. Paul St., Quebec, Que.

Toronto Hardware Mfg. Co. Ltd., 450 Dufferin St., Toronto, Ont.

Viau, M. I. & Fils Ltee, St. Jerome, Que.

Warden, King Limited, 2104 Bennett Ave., Montreal, Que.

Western Foundry, 1416 Franklin St., Vancouver,

Production figures cannot be given for each company as the Statistics Act forbids the release of information which discloses the operations of an individual concern.

GOLD—SHIPMENTS TO MEXICO

Mr. COCKERAM:

1. Have any shipments of Canadian gold been made to Mexico since July 1, 1946?

2. If so, what was the total amount of such shipments, and what price was received for the gold sold?

3. What were the gold holdings for Canadian account of the Bank of Canada or any other government agency as at February 1, 1947?

Mr. MAYHEW:

1. Any shipments of gold to Mexico since July 1, 1946, have been made from gold placed in safekeeping prior to that date for account of foreign banking institutions.

2. The first part of this question cannot be answered as it is not the policy of the government to disclose such detailed information as may be available to it regarding the business activities of foreign banking institutions. (No sales of gold have been made by the government or any agency of the government or the Bank of Canada except on the basis of $35 United States per fine ounce at New York.)

3. Information regarding gold holdings at the end of 1946 will be made available in the report of the foreign exchange control board covering the year 1946 which, under the provisions of section 39 of the Foreign Exchange Control Act, will be submitted to the Minister of Finance before May 30 and tabled within 14 days of receipt.

ASBESTOS

Mr. McCULLOUGH (Assiniboia):

1. How much asbestos was produced in Canada in each of the years 1939 to 1946 inclusive?

2. What quantity of asbestos was exported during each of these years?

3. What percentage was the Canadian production in each of the above years in relation to the world production of asbestos?

4. How many companies produced asbestos in each of the years 1939 to 1946 inclusive, and what are the names in each case?

Mr. MacKINNON:

1. Production of Asbestos in Canada, 1939-1946

Year	Tons
1939	364,472
1940	346,805
1941	477,846
1942	439,459
1943	476,196
1944	419,265
1945	466,897
1946 (Preliminary)	549,497

2. Exports of Asbestos, 1939-46

Year	Crude Tons	Milled Fibres Tons
1939	186,238	
1940	2,082	179,564
1941	2,757	217,498
1942	2,796	198,452
1943	1,990	210,837
1944	1,541	181,668
1945	863	209,765
1946 (Preliminary)	639	215,233

Waste, Refuse or Shorts

1939	159,780
1940	154,929
1941	233,654
1942	226,209
1943	230,172
1944	212,728
1945	229,929
1946 (Preliminary)	304,312

3. Percentage of Canada's output to world production of asbestos, 1939-1946

Year	Tons
1939	65
1940	61
1941	68
1942	66
1943	69
1944	68
1945	Data not yet available
1946	

Note—Above figures are approximate as statistics are incomplete for war years, especially with respect to production in the U.S.S.R.

4. Number of Companies producing asbestos in Canada, 1939-1946

1939	5
1940	6
1941	6
1942	6
1943	6
1944	6
1945	6
1946	7

Producers of Crude Asbestos in Canada

1939

Asbestos Corporation Limited, Thetford Mines, Que.

Bell Asbestos Mines Ltd., Thetford Mines, Que.

Canadian Johns Manville Co. Ltd., Asbestos, Que.

Johnsons Company, Thetford Mines, Que.

Quebec Asbestos Corporation Ltd., East Broughton Station, Que.

1940-1945

As above, with addition: Nicolet Asbestos Mines Ltd. Norbestos, Que.

1946

As for 1940-1945 with addition of Flintkote Mines, Ltd., Thedford Mines, Que.

CAPE TORMENTINE, N.B., DOCK FACILITIES

Mr. EMMERSON:

What is the estimated cost of the development of the dock and the docking facilities at Cape Tormentine, Westmorland county, to accommodate the Prince Edward Island ferry service?

Mr. CHEVRIER: $3,606,000.

INTERIM OR ACTIVE ARMY

Mr. COCKERAM:

1. How many officers, n.c.o's and men have been taken on the strength of the interim or active army since January 30, 1946?

2. How many officers, n.c.o's and men have been discharged from the interim or active force since January 30, 1946?

3. What are the reasons for discharge?

4. Have any army personnel been allowed to purchase their release?

5. If so, how many and at what price?

Mr. LAPOINTE:

1. Interim force—entered since January 30, 1946: 2,099 officers, 8,276 other ranks.

Active force—entered since October 1, 1946. Date of establishment of active army: 2,136 officers, 9,203 other ranks.

2. Discharged since January 30, 1946:

Interim force: 34 officers, 2,946 other ranks.

Canadian army active force, 3 officers, 16 other ranks.

Interim force

3.	Officers	Other Ranks
At own request	32	2,905
Services no longer required (KR (Can) 372 (xvi))	..	3
Misconduct	..	2
Convicted by civil power	..	2
Medically unfit	2	34
Not likely to become an efficient soldier	..	..
Total	34	2,946

Canadian Army (A.F.)

	Officers	Other Ranks
At own request	3	..
Services no longer required (KR (Can) 372 (xvi))	..	9
Misconduct	..	..
Convicted by civil power	..	2
Medically unfit	..	4
Not likely to become an efficient soldier	..	1
Total	3	16

4. None.

5. Answered by No. 4.

INTERIM OR ACTIVE NAVAL SERVICE

Mr. COCKERAM:

1. How many officers, n.c.o's and men have been taken on the strength of the interim or active Royal Canadian Navy since January 30, 1946?

2. How many officers, n.c.o's and men have been discharged from the interim or active force since January 30, 1946?

3. What are the reasons for discharge?

4. Have any Royal Canadian Navy personnel been allowed to purchase their release?

5. If so, how many and at what price?

Mr. LAPOINTE:

1. Entered since 30 January, 1946.

	R.C.N.	Interim
Officers	149	438
Men	2605	1165

2. Discharged since 30 January, 1946.

	R.C.N.	Interim
Officers	40	101
Men	334	489

3. Reasons for Discharge.

R.C.N.

Officers

Resigned	5
Medically Unfit	4
To promote efficiency or economy	1
Retired	20
Dead (Natural causes)	1
Killed in action (flying accident)	1
Lost at sea	1
Services completed	3
Demobilized	4
	40

Men

Services no longer required	4
Unsuitable	26
Under age	7
Over age	1
To pension	17
Dismissed	5
Medically unfit	70
Dead (Natural causes)	2
Promoted to commissioned rank	2
Demobilized	120
Absentee not claimed	1
Services completed	79
	334

Interim

Officers

Resigned	2
Medically unfit	4
Died (Natural causes)	1
Discharged on transfer to Permanent force	30
Services completed	1
Demobilized	63
	101

Men

Unsuitable	7
Under age	1
To pension	1
Dismissed	1
Medically unfit	11
Compassionate grounds	5
Discharged on transfer to Permanent force	20
Demobilized	435
Services completed	8
	489

4. None.

5. Answered by No. 4.

MONTREAL HARBOUR—OPENING BY ICE BREAKERS

Mr. HAZEN:

1. On what date this year did the ice-breaker *N. B. McLean* and the ice-breaker *Ernest Lapointe* commence work in the St. Lawrence river to open up the harbour of Montreal?

2. On whose authority was the work commenced?

3. On what date last year was the work commenced by each of these vessels; when was it completed and how much did it cost?

Mr. CHEVRIER:

1. The ice breakers *N. B. McLean* and *Ernest Lapointe* were detailed to winter service on the St. Lawrence river on December 1, 1946.

This includes convoying of vessels, keeping Quebec harbour open and keeping the channel below Three Rivers clear of ice jams. Actual cutting of channel to Montreal commenced on February 10, 1947, at a point 80 miles below Montreal.

2. Departmental authority.

3. (a) December 1, 1945, service at Quebec and channel to Three Rivers; (b) February 7, 1946, commenced cutting channel above Three Rivers; work completed March 31; (c) $108,292.13, cost of December 1, 1945, to March 31, 1946.

FARM MACHINERY AND PARTS—PRICE INCREASES

Mr. CASTLEDEN:

1. What increases in the prices of (a) farm machinery; (b) farm machinery repair parts; (c) automobile spare parts and accessories, were allowed by the wartime prices and trade board during 1946?

2. What publicity was given to the increases allowed in auto parts and accessories during 1946?

Mr. MAYHEW:

1. (a) The only general increase granted in farm machinery prices during 1946 was the 12½ per cent increase authorized by administrator's order No. A-1959, effective April 13, 1946.

(b) Domestically manufactured farm machinery parts were also increased 12½ per cent by the order referred to above.

Imported parts were placed upon a "laid down cost plus controlled margin" basis by Board Order No. 638, effective June 15, 1946, and later amended by Board Order No. 657, effective September 12, 1946.

(c) With regard to automobile parts and accessories sold by the Ford Motor Co. of Canada, General Motors of Canada and Chrysler Corp. of Canada, permission was given to increase basic period prices by 15 per cent in the summer of 1946.

The remainder of the industry were required, in the case of demestically made items, to continue basic period prices with the exception of indivdual cases which established need for relief in accordance with the board's policy. Imported articles were placed on a "laid down cost plus controlled margin" basis similar to that which applies to farm machinery parts.

2. Full information was made available to the press through the thirteen regional offices of the wartime prices and trade board across Canada, also to the parliamentary press gallery through wartime prices and trade board information branch headquarters, Ottawa.

EMERGENCY AIR FIELDS, SASKATCHEWAN

Mr. TOWNLEY-SMITH:

1. What is the location of each emergency air field in Saskatchewan?

2. Has an emergency air field been purchased at or near Lachburn, Saskatchewan?

3. If so (a) from whom; (b) what is its location; (c) at what price?

Mr. McILRAITH:

1. Broadview, Dafoe, Davidson, Moosomin, Swift Current, Yorkton.

2. No.

3. Answered by No. 2.

RECEIVER GENERAL OF CANADA

Mr. HANSELL:

1. Who is the receiver general of Canada?

2. In what city does he reside?

3. What is his salary?

4. How long has he been employed in this position?

5. Is he considered a civil servant?

Mr. MAYHEW:

1. Hon. D. C. Abbott.

2. Ottawa.

3. $10,000 per annum as Minister of Finance and Receiver General of Canada.

4. December 10. 1946.

5. No.

N.B.—For some years after confederation the office of Receiver General was a separate office distinct from that of the Minister of Finance but this separate office was abolished in 1879. Section 1 of chap. 7 of the statutes of Canada, 42 Victoria, reads as follows:

"The following provisions of this act shall come into and be in force on and after a day to be fixed by proclamation under an order of the governor in council.

The department of the Receiver General shall no longer be a separate department of the Civil Service of Canada; and the office of Receiver General shall no longer be held by a separate member of the govrnment of Canada, but the Minister of Finance shall be also ex-officio Receiver General, and shall as such, in addition to those of the Minister of Finance, have the powers and be charged with

the duties which the Receiver General now has or is charged with; and he shall have and be charged with such other duties generally as may be assigned to him from time to time by the governor in council; his name of office shall be "Minister of Finance and Receiver General;" and the expression "Minister of Finance" or "Receiver General" in the act passed in the forty-first year of Her Majesty's reign, and intituled "An Act to provide for the better auditing of the public accounts," or in any other act or document, shall hereafter be construed and have effect as meaning the "Minister of Finance and Receiver General."

FORT MCMURRAY BITUMIN DEPOSITS

Mr. DECHENE:

Are the large deposits of bitumin, recently discovered in the Fort McMurray area, as reported by Geologist G. S. Hume, located on crown lands in the rights of the province of Alberta, or on lands already alienated to private interests?

Mr.GLEN: The deposits of bitumen recently explored in the Fort McMurray area are located on crown land held in the right of the province of Alberta, subject to certain exploratory rights granted to Abasand Oils Limited.

ABASAND OILS LIMITED

Mr. DECHENE:

1. Have the holdings of bituminous sands, held by the Abasand Oils Limited at the time the government took control, been returned to the company for operation?

2. If so, have negatiations been completed between the government and the company?

3. Is the government of Canada retaining an interest in any of this property?

4. Has an agreement been made?

5. If so, what are its terms, and does it provide for immediate resumption of operations?

Mr. GLEN:

1. Yes, subject to the conditions of the agreement referred to in 5 hereunder.

2. Yes.

3. Yes.

4. Yes.

5. The agreement with Abasand Oils Limited, dated November 1, 1946, provides that the company shall pay the dominion government on or before November 1, 1948, the sum of $139,861.63 for certain mining equipment and materials. A further sum of $1,913,427.48 is to be paid for the dominion government's interest in buildings, fixed machinery and equipment, as well as bitumious sand rights, by annual payments equal to five cents per barrel for each barrel of bitumen produced or contained in bituminous sands sold or otherwise disposed of, the first payment to be due at the end of the first year from the date when production commences. The agreement does not provide for immediate resumption of operations but it is understood that the company proposes to continue exploration and development.

ALBERTA MUSKRAT PROJECT

Mr. DECHENE:

1. Has the dominion government negotiated with the provincial authorities in connection with the proposed large muskrat raising project in the delta of the Athabasca river near Fort Chipewyan, Alberta?

2. If so, with what result?

3. What action has been or is being taken to proceed with this project?

Mr. GLEN:

1. Yes.

2. It was decided after preliminary negotiation that further information as to the potential production and cost of development was necessary.

3. The area in question, comprising some 200,000 acres, is composed partially of Indian reserve lands and partially of provincially owned lands. The Indian reserve lands have been surveyed and an estimate of development cost submitted. Very recently a fully qualified engineer was selected to conduct a similar investigation on the provincial lands portion of the proposed development. When the results of this investigation are available they will be used as a basis for further negotiations with the province.

IRRIGATION PROJECTS

Mr. THATCHER:

1. Since 1935, how many acres of land in Canada, have actually been put under irrigation?

2. How many additional acres will be irrigated by projects where construction has already been commenced?

Mr. GARDINER:

1. 155,200 acres.

2. 94,000 acres.

HEALTH AND WELFARE—PHYSICAL FITNESS BRANCH

Mr. CHURCH:

1. Who composed the national physical fitness department of the government?

2. Who are the chief officers in each province?

3. What is each one's salary and travelling expenses since the organization was founded?

4. Is this organization seeking olympic games for Canada in 1952, as announced in the press?
5. How many of its officers and members are returned soldiers?
6. Who is the head of it; is he a returned soldier, and in what theatre of war did he serve?
7. What is the total expenditures on this work for the last year of record?

Mr. MARTIN:

1. As at February 27 the personnel of the Physical Fitness Division is as follows:

Dr. Doris Plewes, Ed. D., Assistant Director of Physical Fitness; S. B. Carey, Technical Assistant; Miss Winnifred Roberts, Stenographer; Miss Jean Fraser, Clerk.

2. None.

3. Dr. Doris Plewes—

Salary per annum, $3,600; travelling expenses since Organization of Division, $553.57.

Mr. S. B. Carey—

Salary per annum, $3,600; travelling expenses since Organization of Division, $288.15.

Miss Winnifred Roberts—

Salary per annum, $1,704; travelling expenses since Organization of Division, nil.

Miss Jean Fraser—

Salary per annum, $1,460; travelling expenses since Organization of Division, nil.

4. The National Physical Fitness division has taken no action along the lines suggested but the National Council on Physical Fitness, at its meeting held in November 1945, recommended that the winter games of the 1948 Olympics be held in Canada. However, it was decided to hold the winter games at St. Moritz, Switzerland, in view of the fact that European groups would probably find it difficult to meet the costs of transportation to and from Canada.

5. One.

6. The position of director has been vacant since October 4, 1946.

7. For the fiscal year ended March 31, 1946: Administration, $31,524.45; Payments to provinces, $49,555.12; Total, $81,079.57.

PURCHASE OF PROPERTY IN TORONTO

Mr. ROSS (St. Paul's):

1. Did the government, or any department of the government, purchase a property at 204 St. George street, Toronto?
2. If so, what was the purchase price?
3. Is it occupied at present, and if so for what purpose is it used?

Mr. LAPOINTE:

1. Yes. Purchased by the Department of National Defence in 1943.

2. $10,000.

3. This building is allocated to the reserve force as armoury accommodation and the following units are now in occupation: 2 Fd. Amb., R.C.A.M.C.; 7 Fd. Amb., R.C.A.M.C.; 16 F.D.S., R.C.A.M.C.; 47 C.C.S., R.C.A.M.C.

HOUSING—VETERANS LAND ACT—BOUCHERVILLE, QUEBEC.

Mr. MURPHY:

1. Did the government call for tenders for construction of nine homes at Boucherville, Quebec, under the Veterans' Land Act?
2. If so, what are the names of those who submitted tenders and amount of each tender?
3. Was the person or firm who finally obtained a contract to construct homes in this area the same person or firm who tendered for the construction of nine homes in this area?
4. What was his unit cost according to tender?
5. What is the present cost of same unit under the contract entered into?

Mr. MACKENZIE:

1. Yes.

2. Tenders were received from the following:

O. Boisvert, Shawinigan Falls	$45,884 00
Leclair-Dupuis, Montreal	52,257 14
J. L. Guay, Montreal	53,476 00
Douglas Bremner, Montreal	54,707 00
Deakin & Stewart, Montreal.....	61,010 00
R. & B. A. Ryan, Montreal.....	63,180 00
Archambault, Montreal.....	70,200 00

3. Yes, one of them, namely, O. Boisvert.

4. Unit price according to tender submitted by O. Boisvert:

Design	Quotation
Humphrys No. 1A	$5,524 00
Humphrys No. 2A	4,884 00
Humphrys 3A	4,711 00
Humphrys 4A	4,850 00
Savard No. A1	4,943 00
Savard No. B1	5,591 00
Savard No. C1	5,981 00
Van Norman 1B	4,442 00
Van Norman 3B	4,958 00

5. Contract was let for construction of seventeen houses. Payments totalling $95,757.96 have been made pursuant to that contract. Additional claims have been submitted by contractor who has served a petition of right on the Attorney General of Canada to enforce payment. Unit cost not yet determined.

INCOME TAX DEDUCTIONS—VANCOUVER CONSTRUCTION FIRMS

Mr. MacINNIS:

1. Have certain construction firms in Vancouver, British Columbia, made income tax deductions from employees' wages which they have failed to account for to the Department of National Revenue?
2. If so, what are the names of such firms?
3. Have prosecutions or proceedings to collect been taken against these firms?

Mr. McCANN:

1. Yes.

2. This information is regarded as privilege; particular reference is made to section 81 of the Income War Tax Act.

3. Yes.

HOUSING—MOVING OF BUILDING MATERIAL UNDER PRIORITIES

Mr. TIMMINS:

How much building material was moved under priorities in 1946, in respect to the following groups: Wartime Housing Limited, Integrated Housing, Veterans' Land Act and Housing Enterprises Limited, of: lumber, nails, building hardware, roofiing, soil pipe, tile, plumbing material, plumbing fixtures, heating material, heating fixtures, lath, bricks, cement, concrete blocks, wallboard, gypsum products, hardwood flooring?

Mr. McILRAITH: The information desired is not in the possession of the dominion government. Priorities for building materials are issued for government sponsored projects designed to provide primarily homes for veterans and their families. Priorities for building materials are issued to contractors and home owners for selected building material items essential for the completion of government approved projects. In order to assemble the information it would be necessary to survey several thousands of contractors who have made use of 25,788 priorities issued during 1946. Although the survey would take several months, its results would be uncertain because of the imcompleteness of the records kept by some contractors.

EXPORTS AND IMPORTS—CHINA

Mr. TIMMINS:

1. What value of commodities was exported from Canada to China in 1946, and what was the amount of imports from China during the same period?

2. Has the government of Canada an interest in any company or companies dealing with China or Chinese companies, and if so, in what commodities and what was the amount of the business done in 1946, and what are the names of the companies?

Mr. MacKINNON:

1. Canadian exports to China in 1946, $42,915,143; imports into Canada from China in 1946, $2,321,239.

2. No information in this department.

PRINTING BUREAU—PRINTING TRADES WORKERS

Mr. KNOWLES:

1. How many printing trades employees were employed at the government printing bureau at Ottawa as at a chosen date (e.g., 1st, 15th or 30th) of each month during 1946?

2. What was the total number of man-hours of overtime worked at the government printing bureau by printing trades workers during each month of 1946?

3. Beyond what point in terms of number of hours (by day and/or by week) is it considered that such workers are working overtime?

Mr. GIBSON (Hamilton West):

1.	January 31	423
	February 28	423
	March 31	440
	April 30	450
	May 31	454
	June 30	451
	July 31	451
	August 31	450
	September 30	445
	October 31	452
	November 30	459
	December 31	460
		Hours
2.	January	2,513·0
	February	2,294·5
	March	2,620·0
	April	3,326·3
	May	5,193·0
	June	3,001·7
	July	5,535·9
	August	6,905·7
	September	458·0
	October	2,048·5
	November	3,013·5
	December	1,960.0

3. By day—Mondays to Fridays, 8 hours; Saturdays, 4 hours.

EXCESS PROFITS TAX

Mr. HEON:

By provinces, what sums have been received by the federal treasury from excess profits taxes each year, 1940 to 1946 inclusive?

Mr. McCANN: The following amounts were received from excess profits taxes during the fiscal years indicated:

1940—	
All Provinces	Nil
1941—	
Prince Edward Island	5,280
Nova Scotia	169,510
New Brunswick	122,375
Quebec	5,863,731
Ontario	15,990,523
Manitoba	477,305
Saskatchewan	28,451
Alberta	404,608
British Columbia	924,486
Yukon	9,000
Total, 1941	$ 23,995,269

1942—	
Prince Edward Island	107,475
Nova Scotia	2,934,395
New Brunswick	1,605,100
Quebec	39,971,887
Ontario	68,930,877
Manitoba	4,065,485
Saskatchewan	535,986
Alberta	2,118,544
British Columbia	14,844,652
Yukon	53,944
Total, 1942	$135,168,345
1943—	
Prince Edward Island	274,137
Nova Scotia	9,431,877
New Brunswick	5,842,460
Quebec	140,288,745
Ontario	238,067,692
Manitoba	13,116,342
Saskatchewan	1,740,872
Alberta	6,069,346
British Columbia	39,567,305
Yukon	181,901
Total, 1943	$454,580,677
1944—	
Prince Edward Island	450,206
Nova Scotia	10,649,031
New Brunswick	8,520,253
Quebec	139,662,464
Ontario	238,642,308
Manitoba	17,884,757
Saskatchewan	2,522,022
Alberta	8,786,159
British Columbia	41,233,984
Yukon	366,656
Total, 1944	$468,717,840
1945—	
Prince Edward Island	872,172
Nova Scotia	11,736,105
New Brunswick	9,485,724
Quebec	128,505,685
Ontario	232,896,415
Manitoba	28,787,713
Saskatchewan	3,942,569
Alberta	11,355,106
British Columbia	37,869,095
Yukon	354,773
Total, 1945	$465,805,357
1946—	
Prince Edward Island	902,864
Nova Scotia	13,490,704
New Brunswick	10,844,277
Quebec	151,002,358
Ontario	223,634,790
Manitoba	28,089,644
Saskatchewan	5,363,786
Alberta	14,597,561
British Columbia	46,046,530
Yukon	223,879
Total, 1946	$494,196,483

[Mr. McCann.]

IMMIGRATION

Mr. McKAY:

1. How many immigrants were admitted to Canada in the calendar year 1946?

2. What was the racial origin of these immigrants?

3. What has been the total immigration to Canada up to date since 1930?

4. How many Canadians have been repatriated from the United States or elsewhere for each year since 1930?

Mr. GLEN:

1. Immigration to Canada during calendar year 1946—71,719.

2. Racial Origin:

Albanian, 2; Armenian, 12; Belgian, 751; Bohemian, 31; British: English, 42,197; Irish, 4,632; Scotch, 10,209; Welsh, 1,294; Bulgarian, 3, Chinese, 8; Croatian, 10; Czech, 207; Dalmatian, 1; Dutch, 2,431; East Indian, 5; Esthonian, 8; Finnish, 56; French, 3,229; German, 1,298; Greek, 108; Hebrew, 2,100; Italian, 320; Japanese, 3; Jugo-Slav, 34; Lettish, 6; Lithuanian, 28; Magyar, 152; Maltese, 12; Mexican, 3; Moravian, 1; Negro, 173; North American Indian, 37; Persian, 3; Polish, 730; Portuguese, 47; Roumanian, 44; Russian, 213; Ruthenian, 171; Scandinavian: Danish, 168; Icelandic, 24; Norwegian, 456; Swedish, 231; Serbian, 18; Slovak, 19; Spanish, 49; Spanish American, 21; Swiss, 120; Syrian, 37; Turkish, 7; Total, 71,719.

3. Total immigration January 1, 1930, to January 31, 1947—398,779.

4. Information not available. There is no statistical record taken of persons repatriated to Canada.

EVAPORATED MILK

Mr. DORION:

1. During the twelve months preceding August, 1946, what was the production of evaporated milk in Canada?

2. What quantity of such milk was exported during the same period?

[Mr. Heon.]

Mr. MacKINNON:

1. The production of evaporated milk in Canada during the period August, 1945 to July, 1946 amounted to 198,394,000 pounds.

2. Exports during the same period amounted to 62,423,900 pounds.

SHIPMENTS OF DOMESTIC FEED GRAIN FROM LAKEHEAD PORTS

Mr. CASSELMAN:

How many cars of domestic feed grain (a) wheat; (b) oats; (c) barley, were routed out of lakehead ports during each day, January 15, 1947 to date?

Mr. CHEVRIER:

Number of cars of domestic grain shipped from lakehead on each day from January 15 to February 26, inclusive

January 15	45
January 16	49
January 17	43
January 18	63
January 20	40
January 21	63
January 22	47
January 23	68
January 24	71
January 25	67
January 27	33
January 28	64
January 29	59
January 30	56
January 31	89
February 1	115
February 3	34
February 4	80
February 5	73
February 6	36
February 7	97
February 8	159
February 10	44
February 11	92
February 12	100
February 13	92
February 14	90
February 15	78
February 17	49
February 18	86
February 19	94
February 20	95
February 21	68
February 22	93
February 24	30
February 25	56
February 26	77

The transport controller advises (a) records of cars moving in this service do not show the commodity carried; (b) some of these cars may have been consigned to mills and not direct for feed purposes.

INCOME TAX—FARMERS

Mr. McKAY:

1. What was the total amount of income tax paid by farmers in the dominion of Canada for each year including 1941 up to date?

2. What portion of the total income tax paid by farmers in Canada was paid by farmers resident in Saskatchewan?

Mr. McCANN:

1. For 1941 taxation year $1,591,227; 1942, $3,271,190. For years subsequent to 1942 the information is still being assembled.

2. For 1941—27·2 per cent; 1942—24·9 per cent.

TAX ON ELECTRIC POWER

Mr. CHURCH:

1. Will any consideration be given to lowering the tax on the use of domestic and commercial electric light and power in order to aid the housing situation during the coming year of record?

2. What revenue is derived from this tax?

Mr. McCANN:

1. The sales tax does not apply to commercial electric light and power. The matter of change of taxation rates is a matter of government policy and will be announced in due course.

2. As this is a sales tax the revenue derived is not kept separate and there is no information available as to the amount collected.

HILLSIDE HALL PROPERTY, HALIFAX

Mr. BLACK (Cumberland):

1. Has the (a) land; (b) buildings, at 21 South street, Halifax, N.S., formerly known as Hillside Hall, been sold or offered for sale, if so, to whom, when and for what price?

2. Has the furniture and equipment at this property been sold or offered for sale; if so to whom, when and for what price?

3. When was this property purchased by the government and at what cost for (a) land and buildings; (b) furniture and equipment?

4. What were the total expenditures in connection with this property for (a) renovation; (b) repairs, from date of purchase to date of sale or if not sold, present date?

5. For what purposes was the property used since purchase by the government?

Mr. LAPOINTE:

1. (a) No; (b) no.

2. On 20th July, 1946, furniture and equipment comprising regimental property was sold by public auction. The sum realized was $929.35. The names of the purchasers are not available. Furniture and equipment belonging to the Red Cross Society was returned to the society. Furniture and equipment belonging to ordnance was returned to ordnance.

3. On 26th February, 1943, at a cost of $50,000 for land (a) and buildings at 21 South Street and 30 South Street purchased as a unit. There is no breakdown showing the purchase price of each property separately.

(b) Furniture and equipment in situ was purchased for the sum of $1 being chattels and effects included with purchase of property.

4. (a) $24,708.91 for renovation of both properties, $3,300 for heating system for both properties. There is no breakdown of these amounts available showing the amount spent on each building separately. $8,238.26 for fitting up 21 South Street as Nursing Sisters Accommodation.

(b) $5,000 from date of purchase to February 27, 1947.

5. As C.W.A.C. and Nursing Sisters accommodation up to 24th July, 1946 and from that date as emergency married quarters.

OLD AGE PENSIONS

Mr. TREMBLAY:

1. What amounts have been contributed by the federal government in each year, since 1936, to the government of the province of Quebec, for the payment of old age pensions?

2. What percentage of the old age pensions paid in Quebec is contributed (a) by the federal government; (b) by the provincial government?

Mr. MARTIN:

1.	Old Age Pensions	Blind Pensions
1936-37	$ 2,345,107.05	
1937-38	8,386,230.60	$ 57,028.48
1938-39	7,637,019.04	263,451.54
1939-40	7,758,257.34	294,276.96
1940-41	7,199,832.61	336,873.46
1941-42	6,762,038.15	365,525.53
1942-43	7,048,885.34	379,129.29
1943-44	8,535,362.81	452,061.25
1944-45	10,386,114.68	530,168.53
1945-46	10,823,345.20	568,427.51
1946-47	8,548,716.99 (9 months)	452,498.12 (9 months)

2. (a) 75 per cent; (b) 25 per cent.

CANADIAN NATIONAL RAILWAYS HOTELS

Mr. DIEFENBAKER:

1. Does the Canadian National Railways intend to construct or erect or has it plans for the construction or erection of any hotels during the year 1947?

2. If so, what cities are being considered as suitable locations in which construction of hotels will be gone ahead with?

Mr. CHEVRIER:

1. No.

2. Answered by No. 1.

[Mr. Lapointe.]

CANADIAN COMMERCIAL CORPORATION

Mr. DORION:

1. At what date was the Canadian Commercial Corporation organized?

2. Who are the members of the said corporation?

3. What connection is there between the Canadian Commercial Corporation and the French government?

4. What are the duties of the Canadian Commercial Corporation?

Mr. MacKINNON:

1. May 1, 1946.

2. Mr. M. W. Mackenzie, Deputy Minister, Department of Trade and Commerce, president.

Mr. H. B. McKinnon, chairman, Tariff Board, director.

Mr. David Sim, Deputy Minister (Customs and Excise), Department of National Revenue, director.

Mr. V. W. Scully, Deputy Minister, Department of Reconstruction and Supply, director.

Mr. L. P. Saint-Amour, Ass't. Deputy Governor, Bank of Canada, director.

Mr. W. D. Low, Managing Director, Canadian Commercial Corporation, director.

Mr. K. W. Taylor, Deputy Chairman, Wartime Prices and Trade Board, director.

Mr. Charles Stein, Assistant Deputy Minitser, Department of Justice, director.

Mr. S. D. Pierce, Chief, Economic Division, Department of External Affairs, director.

Order in council P.C. 599 dated February 18, 1947, appointed Messrs. J. E. Van Buskirk, president, Commodity Prices Stabilization Corporation, V. C. Nauman, Assistant Deputy Minister, Department of National Revenue, and H. O. Moran, Economic Division, Department of External Affairs, to act as Directors for the period of March 1, 1947, to September 30, 1947, during which time Messrs. H. B. McKinnon, S. D. Pierce, and D. Sim have been assigned duties which will require their attendance abroad.

3. None. On specific requests made from time to time by the French Supply Council in Canada, the Canadian Commercial Corporation acts as agent on behalf of the Provisional Government of the French Republic for the procurement of Canadian goods and services.

4. (a) To assist in the development of trade between Canada and other nations, and, (b) to assist persons in Canada, (i) to obtain goods and commodities from outside Canada; and (ii) to dispose of goods and commodities that are available for export from Canada; (c) by order in council P.C. No. 314 dated February 5, 1947, effective February 1, 1947, the power, duty and function vested in the

Minister of Reconstruction and Supply under the Department of Reconstruction and Supply Act 1945, and the Department of Munitions and Supply Act, to buy or otherwise acquire, manufacture or otherwise produce munitions of war or supplies and construct or carry out projects required by the Department of National Defence, was transferred from the Minister of Reconstruction and Supply to the Minister of Trade and Commerce. The facilities of the Canadian Commercial Corporation, to whose staff has been added certain of the experienced personnel formerly employed by the Department of Reconstruction and Supply, is now utilized by the Minister of Trade and Commerce in arranging for the procurement of the requirements of the Department of National Defence and in negotiating contracts for the purchase thereof.

CANADIAN EXPORT BOARD

Mr. DORION:

1. At what date was the Canadian export board organized?

2. Is it still in existence? If not, when was it dissolved?

3. Who were the members of the Canadian export board?

4. What agreements were entered into by the Canadian Export board and the French government?

Mr. MacKINNON:

1. January 31, 1944.

2. No. April 30, 1946.

3. The original members of the Canadian Export Board were:

C. M. Croft, Director, Commercial Intelligence Service, Department of Trade and Commerce, chairman.

Yves Lamontagne, Director, Commercial Relations Division, Department of Trade and Commerce, member.

Dr. Stewart Bates, Special Assistant to the Deputy Minister of Fisheries, member.

A. M. Shaw, Director of Marketing, Department of Agriculture, member.

T. G. Major, Commodity Chief, Department of Trade and Commerce, member.

J. M. Boyer, Acting Secretary, Department of Trade and Commerce, member.

Upon the resignation of Mr. Yves Lamontagne, Mr. G. D. Mallory, Chief, Metal and Chemical Exports Division, Department of Trade and Commerce, was appointed a member, May 31, 1944.

Upon the resignation of Mr. C. M. Croft, Mr. John Eaton, Assistant General Purchasing Agent, C.P.R., was appointed Chairman, September 1, 1945.

Upon the resignation of Mr. John Eaton, Mr. W. D. Low, Executive Assistant (Purchasing) Department of Reconstruction and Supply, was appointed Chairman, January 1, 1946.

4. None. On specific requests made from time to time by the French Supply Council in Canada, the Canadian Export Board acted as agent on behalf of the Provisional Government of the French Republic for the procurement of Canadian goods and services.

CANADIAN REPRESENTATION IN INDIA

Mr. CHURCH:

1. Has the government appointed an ambassador to India?

2. If so, who is he; who recommended him and what is his salary and other emoluments?

3. What is the number of his staff and the cost of same?

4. Does the government recognize the provisional government set up in India, at Delhi, last December?

5. What other dominions have embassies there?

Mr. ST. LAURENT:

1. The government has not appointed an ambassador to India; a high commissioner to India has, however, been appointed.

2. J. D. Kearney, K.C.; recommended by the government of Canada; salary $10,000; allowances not yet decided.

3. Tentative arrangements are being made to send a staff of five. Their total salary would be $13,200. Allowances for this staff have not yet been decided.

4. No provisional government was set up in India last December. In August, 1946, the Viceroy of India, with the approval of the United Kingdom government, invited Pandit Jawaharlal Nehru, president of the Indian political organization known as the All-India Congress, to make proposals for the immediate formation of an interim government. Pandit Nehru thereupon proposed a list of names for inclusion in the interim government. These were approved by His Majesty the King and made public on August 24. They included representatives of the congress party, the scheduled castes, the Sikhs, the Christians, the Parsees, and the Moslems, but not of the principal Moslem political party known as the Moslem League. This interim government was sworn in and took office on September 2, 1946. On October 26 it was reorganized to include five members of the Moslem League. No question of non-recognition has arisen, The interim government is recognized by the governments of all other countries, including the government of Canada.

5. No dominion has an embassy in India. Australia has a high commissioner's office in India.

INDIA—CANADIAN AGENTS—DELHI HALL

Mr. CHURCH:

1. Is the government aware that the new so-called provisional government constitutional meeting at Delhi, India, was held without the Moslems being represented?

2. Has the government any information about the Delhi hall in which they met, or if the portraits there of the great rulers for the past hundred years were removed before the meeting?

3. Has the government any immigration, commercial or other agents in India? If so, how many; at what cost and where are they located?

Mr. ST. LAURENT:

1. The government is not aware of any so-called provisional government constitutional meeting at Delhi, India.

A constituent assembly commenced its meetings on December 9, 1946. It is composed of members elected by the legislative assemblies of the Indian provinces, and is charged with the duty of drawing up a constitution for India. For the purpose of electing representatives to the constituent assembly, each legislative assembly was divided into three sections, composed respectively of Moslem representatives, Sikh representatives and representatives of all other communities. Each of these sections in each assembly elected its own representatives to the constituent assembly, thus enabling all the principal Indian communities to be represented.

The representatives who belong to the principal Moslem political organization, the Moslem League, have not, up to the present, exercised their right to attend the meetings of the constituent assembly.

2. No information.

3. The government has no immigration agents in India.

In so far as the Department of Trade and Commerce is concerned, we do maintain a trade commissioner office in Bombay, India. The total expenditure for the fiscal year 1945-46 was $17,998.

CANADIAN EMBASSIES OPENED SINCE LAST SESSION

Mr. CHURCH:

1. What embassies have been opened since last session by the government; where are they located and at what cost?

2. What vote has been sanctioned by parliament to cover their expenses and salaries and staff?

3. Who are these diplomats and what experience have they in diplomacy up to the time of their appointment?

Mr. ST. LAURENT:

1. Announcement has been made of our intention to open missions in India, Czechoslovakia, Poland and Sweden. They would be located at Delhi, Prague, Warsaw and Stockholm. As these missions have not been opened, no costs are available.

2. The expenses of these missions and the salaries of the staff have been sanctioned by parliament in vote 43, Representation abroad, miscellaneous item, new offices.

3. Mr. J. D. Kearney has been appointed high commissioner to India. Mr. Kearney was appointed high commissioner for Canada in Ireland in July 1941 and Canadian Minister to Norway in November 1945.

Mr. R. M. Macdonnell has been appointed Charge d'Affaires in Prague. Mr. Macdonnell has been a member of the Department of External Affairs since 1934 and has been posted in the interval to the then Canadian Legation in Washington, 1935, and the Canadian Embassy to the U.S.S.R. in 1943; he has attended numerous international conferences as adviser, and was Chief of the Third Political Division in the Department of External Affairs.

Mr. K. P. Kirkwood has been appointed Charge d'Affaires in Warsaw. Mr. Kirkwood was appointed to the Department of External Affairs in 1928 and served abroad in the then Canadian Legation in Washington in 1928, the then Canadian Legation in Tokyo in 1929, the then Canadian Legation in The Hague in 1939; he opened the Canadian Consulate in Greenland, served with the Canadian Legation in Brazil and the Canadian Legation in the Argentine.

Mr. F. H. Palmer, M.C., has been appointed Charge d'Affaires a.i. in Stockholm. Mr. Palmer was appointed Junior Trade Commissioner in 1921 and Assistant Trade Comissioner in 1922 and Trade Commissioner in 1929. He has served in the United States, Italy, the United Kingdom, Australia and Sweden. In 1944 and in 1945 he went on a special mission to Chungking.

REPATRIATION OF CANADIANS FROM JAPAN

Mr. BLACK (Yukon):

1. Will the government of Canada collect from Japan the expense, including cost of transportation, of repatriating Canadians from Japanese prison and concentration camps?

2. If not, why will such collection not be made?

Mr. ST. LAURENT:

1. No.

2. Claims for specific items of government expenses arising out of the war with Japan

have not been presented by the Government of Canada to the Japanese government, through the supreme commander for the allied powers. The Canadian government expects to receive a share of the reparations in kind to be exacted from Japan. In the disposition of the proceeds of such reparations assets the cost incurred by the government in repatriating Canadians from Japan will be included in the Canadian government claim.

VETERANS PENSIONS—EDUCATIONAL BENEFITS

Mr. FULTON:

1. Does the Department of Veterans Affairs or the Canadian pension commission reduce the amount of pension otherwise payable to a disabled veteran who is in receipt of educational benefits?
2. If so, what is the reason for this practice?
3. What statute and/or regulation contains the authority for this reduction?

Mr. TUCKER:

1. Pension is not reduced; educational allowance is reduced by a proportion of any pension in payment.

2 and 3. The Veterans Rehabilitation Act provides that educational allowance may be reduced because of income from other sources and a portion of the pension is regarded as such income. The rates of allowance are fixed by order in council P.C. 3244 of August 1, 1946, as amended by Order in council P.C. 4983 of December 3, 1946.

OVERSEAS AIR MAIL LETTER CARDS

Mr. FRASER:

1. Does the Canadian post office department sell air mail letter cards, similar to those authorized by the Australian and United States governments and used between these two countries?
2. If so, what do these letter cards cost, and to what countries are they allowed to be mailed?

Mr. BERTRAND (Laurier):

1. No.
2. See answer to No. 1.

BITUMINOUS COAL

Mr. MacLEAN:

1. What is the wholesale price per ton of American bituminous coal, duty paid, in Quebec, Montreal and Toronto?
2. What is the amount of subvention paid for delivery of Nova Scotia coal in Quebec, Montreal and Toronto?
3. What is the wholesale price, per ton, of Nova Scotia coal in Quebec, Montreal and Toronto?

Mr. McILRAITH:

1. The wholesale price of American bituminous slack, duty paid, is as follows: Quebec city, $8.75; Montreal, $8.43; Toronto, $7.50.
2. The amount of subvention per net ton paid for delivery of Nova Scotia coal is calculated on a basis of 30 per cent of freight rate via all rail, under authority P.C. 3969.
3. The wholesale price, per net ton of Nova Scotia coal is as follows: Quebec city, $8.40; Montreal, $9; Toronto, no movement of Nova Scotia coal at present.

EMERGENCY HOUSING

Mr. TIMMINS:

What amount of money was paid by the federal government in 1946 to the municipalities toward emergency housing, and how many emergency housing units were created therefrom?

Mr. McILRAITH: Commitments made to municipalities on account of emergency shelter, during 1946, totalled $1,230,860.00. This represents the maximum contribution by the federal government toward the cost of 2,580 units of emergency shelter.

During 1946 claims totalling $511,518.82 were paid against the amount committed.

BEDFORD BASIN NAVAL MAGAZINE

Mr. STANFIELD:

1. When and from whom did the government purchase the 2,000 acres of land adjoining the naval magazine in Bedford Basin, Nova Scotia?
2. What was the purchase price paid for said land?

Mr. LAPOINTE:

1. Expropriation proceedings for the acquisition of land comprising approximately 1,286 acres adjoining the naval magazine depot at Bedford basin, Nova Scotia, were commenced on September 13, 1946. The names of the owners are not yet known. The titles to the lands involved are now being searched.
2. The compensation to owners for the lands involved is not yet known.

SUBSIDIES FOR FISH DRAGGERS, MARITIME PROVINCES

Mr. McLURE:

How many fishermen or fishery companies have received subsidization for the building of fish draggers in (a) Nova Scotia; (b) New Brunswick; (c) Prince Edward Island?

Mr. BRIDGES: (a) Nova Scotia, 6; (b) New Brunswick, nil; (c) Prince Edward Island, nil.

AIR TRANSPORT—NON-SCHEDULED COMMERCIAL LICENCES

Mr. McKAY:

How many licences were issued by the air transport board to operate non-scheduled charter commercial air services in (a) Canada; (b) from Saskatchewan bases, in the calendar year 1946?

Mr. McILRAITH: (a) 93; (b) 5.

CHARLOTTETOWN EAST SIDE RAILWAY WHARF

Mr. McLURE:

Has a survey of the east side of the railway wharf at Charlottetown been made with a view of getting more shed shipping space?

Mr. FOURNIER (Hull): Yes.

WHEAT—UNITED KINGDOM AGREEMENT

Mr. McCUAIG:

1. How many bushels of wheat have been delivered to the United Kingdom on the five-year agreement, to date?

2. How much wheat has been sold to all other countries during the contract period, to date, and at what price or prices?

3. How many dollars have accumulated in the pool in excess of payments already paid to the Canadian wheat growers?

Mr. MacKINNON:

1. Deliveries of wheat under the United Kingdom contract from August 1 to February 28, inclusive, have been 66,643,034 bushels.

In addition, 33,518,262 bushels of wheat have been made available to Canadian mills to be shipped as flour. This quantity is being applied against the United Kingdom contract during 1946-47. The rate of shipment of this flour is a matter between the United Kingdom ministry of food and the Canadian mills.

2. Sales of wheat to countries other than the United Kingdom from August 1 to February 28 have been 15,080,140 bushels. In addition, 25,118,213 million bushels of wheat have been made available to Canadian mills to fill flour orders received from countries other than the United Kingdom.

The prices at which wheat has been sold to countries other than the United Kingdom for the period August 1, 1946 to January 31, 1947, appear on page 627 of *Hansard*. The price during February, 1947, ranged from $2.34 to $2.59 and the average was $2.45½ basis No. 1 northern in store Fort William/Port Arthur.

3. Answer not available for reasons set forth on page 631 of *Hansard:*

PUBLIC ACCOUNTS—WAR ASSETS CORPORATION—MULTIPLE-TENANCY PROPERTY EXPENSES

Mr. FRASER:

1. What items are included in "expenses re multiple-tenancy property $227,287.10" in War Assets Corporation balance sheet, as shown on page VA 121 of the public accounts, part two, for the fiscal year ending March 31, 1946?

2. Where are each of the aforesaid properties located?

3. From whom are each of the said properties rented or leased?

[Mr. McIlraith.]

4. To what firms, or individuals, were the aforesaid moneys paid?

Mr. HOWE: Mr. Speaker, my remarks on the previous question apply also to this one.

Mr. FRASER: May we hear when the public accounts committee is going to sit so that we can have these questions answered?

SARNIA, ONT., MAIL CARRIERS

Mr. MURPHY:

1. What is the present yearly salary of each mail carrier at Sarnia, Ontario?

2. What are the man hours per week for each mail carrier?

3. What qualifications are necessary and are veterans now given preference?

4. What is the yearly salary now being paid those entering the service as mail carriers?

5. What is the maximum salary?

6. What is the yearly retirement for each such employee as and when he retires at the required time?

Mr. BERTRAND (Laurier):

1. Twelve at $2,124 per annum; one at $1,884 per annum; five at $1,764 per annum; six at $1,644 per annum.

2. Forty-four hours per week.

3. Ability as determined by civil service competitive examination; physical fitness to perform the duties required. Veterans are given preference.

4. $1,644 per annum.

5. $2,124 per annum.

6. The annual allowance payable will be approximately as follows, provided:

(a) the Civil Service Superannuation Act is not amended;

(b) the employees remain in the service until they reach the age of 65 years;
maximum and those below the maximum

(c) those at the maximum salary retain that salary advance to the maximum by the usual statutory increases.

Nine at $1,486.80; one at $1,454.94; one at $1,445.90; one at $1,426.62; one at $1,416.00; one at $1,384.14; one at $1,327.50; one at $1,292.10; one at $1,288.56; one at $1,242.54; one at $1,118.88; one at $1,058.46; one at $1,027.01; one at $987.66; one at $902.70; one at $569.94.

COARSE GRAINS AND MILL FEEDS—FREIGHT RATES

Mr. SENN:

What was the amount of money paid out for freight rate assistance on coarse grains and mill feeds shipped from the lake head eastward in each year since the scheme became operative?

Mr. GARDINER: The comparison follows:

COMPARISON OF FREIGHT ASSISTANCE ON WESTERN GRAINS AND FEEDS SHIPPED INTO EASTERN CANADA DURING THE CALENDAR YEARS 1941, 1942, 1943, 1944, 1945 and 1946.

(The same comparison for British Columbia.)

	Wheat (Bus.)	Oats (Bus.)	Barley (Bus.)	Rye (Bus.)	Corn	Screenings (Tons)	Millfeeds (Tons)		
Calendar Year 1941									
Ontario	1,704,918	1,971,903	1,636,119	182,645		11,985	28,809		
Quebec	752,816	1,802,068	1,213,456	5,100		2,421	50,565	Eastern Canada:	$ 1,778,824.13
New Brunswick	58,902	217,900	90,248	2,004		139	7,031	British Columbia:	134,679.41
Nova Scotia	125,452	215,297	150,044	2,448		152	8,340		
Prince Edward Island	16,932	8,085	21,748	.....		4	1,182	Total:	$ 1,913,503.54
Total for Eastern Canada	2,659,020	4,215,253	3,111,615	192,197		14,701	95,927		
British Columbia	317,302	238,841	125,827	337	31,107	156	3,407		
Calendar Year 1942									
Ontario	8,323,136	8,368,574	5,513,377	608,902		33,675	162,601		
Quebec	5,190,310	6,559,747	5,524,488	110,593		25,984	295,086	Eastern Canada:	$ 9,018,465.05
New Brunswick	609,083	983,300	567,646	19,675		1,397	41,701	British Columbia:	993,144.63
Nova Scotia	665,775	1,142,238	1,141,619	24,236		912	43,923		
Prince Edward Island	274,287	181,750	265,067	2,902		168	9,207	Total:	$10,011,609.68
Total for Eastern Canada	15,062,591	17,235,609	13,012,197	766,308		62,136	552,518		
British Columbia	2,253,310	1,504,706	625,506	127	290,396	2,874	35,675		
Calendar Year 1943									
Ontario	12,912,047	25,115,056	15,119,104	223,987		26,436	238,591		
Quebec	8,044,095	10,809,606	12,178,019	88,414		11,625	306,749		
New Brunswick	887,290	1,623,873	1,222,708	13,582		903	50,015		
Nova Scotia	1,317,995	1,764,538	1,642,314	6,359		495	54,744		
Prince Edward Island	550,303	425,388	557,627	2,427		111	14,533		
Total for Eastern Canada	23,711,730	39,738,461	30,719,772	334,769		39,570	664,632	Eastern Canada:	$14,843,113.37
British Columbia	3,074,037	2,432,773	1,162,602	.....	148,114	1,799	55,720	British Columbia:	1,428,211.03
								Total:	$16,271,324.40

COMPARISON OF FREIGHT ASSISTANCE ON WESTERN GRAINS AND FEEDS SHIPPED INTO EASTERN CANADA DURING THE CALENDAR YEARS 1941, 1942, 1943, 1944, 1945 and 1946—*Conc.*

(The same comparison for British Columbia.)

	Wheat (Bus.)	Oats (Bus.)	Barley (Bus.)	Rye (Bus.)		Screenings (Tons)	Millfeeds (Tons)		
Calendar Year 1944									
Ontario	11,811,165	20,301,744	13,657,269	72,341		36,951	236,363		
Quebec	8,136,737	13,701,497	13,499,544	70,337		18,964	292,090		
New Brunswick	810,643	1,455,432	1,188,729	.....		1,648	48,027		
Nova Scotia	1,317,963	1,863,294	1,449,869	130		576	59,632		
Prince Edward Island	454,295	375,776	473,377	.....		138	13,207		
					Corn				
Total for Eastern Canada	22,530,803	37,697,743	30,268,788	142,808		58,277	649,319	Eastern Canada:	$14,492,134.50
British Columbia	3,807,057	3,085,718	1,287,123	36	153,275	1,916	64,186	British Columbia:	1,714,965.59
								Total:	$16,207,100.09
Calendar Year 1945									
Ontario	12,589,832	23,259,521	13,287,308	2,916		40,739	242,153		
Quebec	8,377,092	16,343,259	12,163,358	2,198		20,661	308,198		
New Brunswick	923,405	2,012,950	1,335,362	150		2,429	52,762		
Nova Scotia	1,073,562	2,122,447	1,387,221	70		714	54,365		
Prince Edward Island	468,437	378,150	476,744	.....		121	13,376		
					Corn				
Total for Eastern Canada	23,432,328	44,116,327	28,649,993	5,334		64,664	670,854	Eastern Canada:	$15,101,488.77
British Columbia	3,775,873	3,615,903	1,183,144	.....	167,182	2,166	63,470	British Columbia...	1,750,192.29
								Total:	$16,851,681.06
Calendar Year 1946									
Ontario	10,214,147	25,856,224	16,770,612	707		32,421	270,249		
Quebec	7,493,082	17,662,824	17,602,356	32		20,999	313,929		
New Brunswick	814,318	2,438,885	1,588,429	.....		3,564	54,732		
Nova Scotia	985,955	2,716,721	1,720,573	.....		1,932	56,859		
Prince Edward Island	476,062	643,971	546,500	.....		378	15,153		
					Corn				
Total for Eastern Canada	19,983,564	49,318,625	38,228,470	739		59,294	710,922	Eastern Canada:	$16,477,533.17
British Columbia	4,021,842	3,792,553	1,228,569	.....	185,187	2,582	68,192	British Columbia:	1,859,725.32
								Total:	$18,337,258.49

PUBLIC ACCOUNTS—BUILDING OPERATING EXPENSE

Mr. FRASER:

What items are covered by "Building operating expense $65,729.96" shown in schedule "A," page VA 122, of the public accounts, part two, covering the fiscal year ending March 31, 1946?

Mr. HOWE: Mr. Speaker, may I call your attention to the fact that the public accounts have been referred to the standing committee on public accounts, and I suggest that quesions relating to public accounts are therefore not in order.

Mr. JACKMAN: The committee has not been set up.

Mr. FRASER: I submit, Mr. Speaker, that that does not apply in this case, because the public accounts committee is not sitting and there is nothing before that committee at the present time. This question relates to what happened in 1946, and I do not see why it cannot be answered. It seems strange that we cannot get an answer to question on War Assets transactions.

Mr. SPEAKER: I would call attention to the fact that on Tuesday, February 26, on motion of the Minister of Finance, it was ordered by the house that the public accounts and the report of the auditor general for the fiscal year ended March 31, 1946, be referred to the standing committee on public accounts. Therefore these questions are not in order.

Mr. GRAYDON: Mr. Speaker, may I make a suggestion before you rule the question out of order? You have already passed a question by the member for Kindersley (Mr. Jaenicke), in connection with the patent office, which is on all fours with this one.

Mr. SPEAKER: Order. The hon. gentleman knows the rule. I have no choice but to declare this question out of order, since public accounts have been referred to the committee.

PUBLIC ACCOUNTS—BUILDING ALTERATIONS AND IMPROVEMENTS

Mr. FRASER:

What items are covered by "Building alterations and improvements, $220,417.91" as shown in schedule "A" page VA 122 of the public accounts part two, covering the fiscal year March 31, 1946?

Mr. HOWE: Mr. Speaker, my remarks on the public accounts committee apply also to this question.

Mr. FRASER: Why cannot we have an answer? Your ruling, Mr. Speaker, is not in accordance with the ruling you gave last year.

VETERANS ATTENDING UNIVERSITY—PENSIONS AND EDUCATIONAL GRANTS

Mr. FULTON:

1. What formula is followed in calculating the total amount payable by way of pension and educational grant to (a) a single disabled veteran attending university; (b) a married disabled veteran attending university?

2. What is the reason for the adoption of this formula?

Mr. MACKENZIE:

1. The maximum rates of educational allowances payable to pensioners are set forth in the schedule to order in council P.C. 3244 of August 1, 1946, passed under the authority of section 19 of the Veterans Rehabilitation Act.

2. To encourage disabled veterans to take training.

CANADIAN ARMY

Mr. PEARKES:

1. Is the Canadian army still on active service?

2. If not, when did it cease to be?

3. If so, when will it return to its peace-time status?

Mr. LAPOINTE:

1. The Canadian Army (except the reserve force and the supplementary reserve) is still on active service.

2. Answered by No. 1.

3. The date when it will return to peacetime status has not been determined.

LOANS TO VETERANS ATTENDING UNIVERSITY

Mr. MUTCH:

1. How many student veterans in the universities of Canada have been granted loans under the provisions of the order made last session?

2. How many have been refused?

3. What steps have been taken to make university authorities aware of the loan regulations?

4. What are the regulations governing the making of these loans?

5. Have representations been received requesting that these loans be made available to vocational students taking a course of fifteen months or more?

Mr. MACKENZIE:

1. 159.

2. 40.

3. (a) Full information has been communicated to the district supervisors of counselling and training services of the Department of Veterans Affairs who attend each meeting of the student veteran loan board of the university concerned. These officials were instructed, at the time the regulations became effective, to acquaint the university head concerned with the regulations governing loans.

(b) The veterans adviser at universities is in possession of full particulars.

(c) Each member of the advisory committee on university training for veterans, including the university members, was given full particulars.

(d) Copies of the veterans university loans regulations were sent to each university.

4. Order in council P.C. 4061 of October 1, 1946.

5. No.

PUBLIC DEBT

Mr. MACDONNELL (Muskoka-Ontario):

1. As of August 31, 1939; June 30, 1945; and December 31 1946, what was the total of the unmatured direct funded debt of the dominion of Canada?

2. Of this debt, what portion was held (a) by the public, exclusive of the Bank of Canada and the chartered banks; (b) by the Bank of Canada and the chartered banks?

3. As at the same dates, what was the total sum held, in the form of bank deposits, bank notes, and coin, by individuals, corporations, and public bodies in Canada (other than government of Canada, the Bank of Canada, or the chartered banks)?

Mr. MAYHEW:

1. Unmatured direct funded debt including treasury bills, deposit certificates and refundable portion of income and excess profits taxes:

August 31, 1939, $3,433,079,761.70; June 30, 1945, $15,082,596,797.74; December 31, 1946, $16,811,919,494.05.

2. It is not possible to furnish the answer to this question as the balance sheet of the Bank of Canada does not show separately Dominion and provincial government securities. The return of the assets and liabilities of the chartered banks for August 31, 1939, shows Dominion government direct and guaranteed securities and provincial government direct and guaranteed securities combined. The returns of the assets and liabilities of the chartered banks for June 30, 1945, and December 31, 1946, do not show separately Dominion government direct and guaranteed securities. However, in a publication dated December 31, 1945, issued by the national war finance committee, estimates were published showing amount and estimated ownership of direct funded debt of Canada as at December 31, of each year from 1938 to 1945. The figures given for 1945 were preliminary. Final estimates for that date or estimates for a later date have not yet been published. For the dates nearest the dates for which information is desired, the following data have been extracted from this publication:

(In millions of dollars)

Held by	Dec. 31, 1939	Dec. 31, 1945(*)
Bank of Canada ...	215	1,823
Chartered Banks ..	827	3,069
Sub-total	1,042	4,892
Others	2,485	11,532
Total	3,527	16,424

(*) Preliminary.

3.

	August 31 1939	June 30 1945	December 31 1946
Deposits by the public in the chartered banks payable on demand in Canada.....	$ 705,171,205	$1,857,331,097	$2,290,808,904
Deposits by the public in the chartered banks payable after notice or on a fixed day in Canada	1,701,886,610	2,645,536,895	3,469,321,505
Deposits in the chartered banks by the public in Canada in currencies other than Canadian	121,152,452	55,640,326	96,727,244
Deposits by and balances due to Provincial Governments in chartered banks.....	56,215,581	102,675,914	125,969,181
	$2,584,425,848	$4,661,184,232	$5,982,826,834
Bank of Canada Notes and Chartered Bank Notes outstanding less amounts held by chartered banks.....	209,927,827	970,235,612	1,030,762,330
Subsidiary coinage issued less withdrawals and amounts held by Bank of Canada and chartered banks.....	31,187,247	61,413,374	64,729,204

TAX ON SOFT DRINKS AND AERATED BEVERAGES

Mr. TIMMINS:

What was the amount collected in 1946 under the tax upon soft drinks and aerated beverages?

Mr. McCANN:

	1 cent per bottle	25 per cent
Domestic	$9,958,406 07	$7,527,701 35
Importation ...	603 52	2,071 48
	$9,959,009 59	$7,529,772 83

AIR MAIL POSTAL SERVICE—TOTAL EXPENDITURE

Mr. ISNOR:

What was the total amount expended by the post office department on air mail postage for the periods from (a) April 1, 1944 to March 31, 1945; (b) April 1, 1945 to March 31, 1946; (c) April 1, 1946 to February 28, 1947?

Mr. BERTRAND (Laurier): (a) $3,615.59; (b) $3,974.99; (c) $3,974.77.

PUBLIC ACCOUNTS—WAR ASSETS CORPORATION—WAREHOUSING EXPENSES

Mr. FRASER:

What items are included in "warehousing expenses $3,635,357.43" in War Assets Corporation as shown on page VA 123, public accounts, part II, for fiscal year ending March 31, 1946?

Mr. HOWE: This question also applies to the public accounts which have been referred to a committee of the house.

Question dropped.

VETERANS' TRAINING CENTRE, PICTOU, N.S.

Mr. BROOKS:

1. How many persons are employed at the veterans' training centre, Pictou, Nova Scotia, on (a) instructional staff; (b) clerical and maintenance staff; (c) commissary staff?

2. How many in each instance are veterans and how many non-veterans?

3. If non-veterans are employed, what are the reasons for such employment?

Mr. MITCHELL:

1. The following staff is employed by Canadian vocational training at the veterans' training centre at Pictou, Nova Scotia:—

(a) Instructional staff, 20; (b) clerical staff, 3; maintenance staff, 9; (c) The commissary staff is employed by the Canada Catering Company, not by Canadian Vocational Training.

2. (a) Instructional staff—14 veterans; 6 non-veterans.

(b) Clerical staff—2 veterans; 1 non-veteran.

Maintenance staff—7 veterans; 2 non-veterans.

(c) See answer to 1 (c) above.

3. Non-veterans were taken on because no others were available at the time of hiring.

WAR ASSETS—OFFICE FURNITURE

Mr. GRAYDON:

1. How many office desks and chairs have been declared surplus since the cessation of hostilities by any department of government?

2. How many of these have been (a) sold; (b) stored, by war assets corporation?

3. What contracts have been given by the various departments of government for new office desks and chairs since the cessation of hostilities and how many desks and chairs were involved in the said contracts?

Mr. HOWE: I spoke about chairs and office furniture on an earlier occasion and explained to the house how difficult it is to prepare lists of that kind. Office furniture is usually declared surplus as incidental to a manufacturing plant, and is usually sold as an appurtenance of the manufacturing plant. With a great deal of effort and expense a partial list of furniture could be prepared, but it would be by no means complete. I suggest that the purpose of the question might be served if parts 1 and 2 were dropped and part 3 made an order for return.

Mr. GRAYDON: I should like to consider the matter before I drop it. Perhaps the minister will allow it to stand.

Mr. HOWE: Yes.

Question stands.

TARIFF INCREASES

Mr. THATCHER:

Since January 1, 1946, what tariff increases, if any, have been made by the Canadian government by order in council or otherwise?

Mr. MAYHEW: Since January 1, 1946, no tariff increases have been made by the Canadian government by order in council or otherwise. However, the expiry or revocation of certain wartime orders has restored some statutory rates of duty which on January 1, 1946, were subject to reduction or suspension by order in council.

VETERANS ATTENDING UNIVERSITY—INSURANCE AND COST OF LIVING BONUS

Mr. CHURCH:

What action has been taken by the government to give student veterans attending universities a cost of living bonus, and some form of assistance in the way of life and health insurance which reestablishing themselves at the universities?

Mr. MACKENZIE: Educational allowance has been increased twice since inaugurated in 1941; life insurance is available under the terms of the Veterans Insurance Act; treatment is provided under the terms of the

treatment regulations (order in council P.C. 4465 of June 13, 1944, as amended) for veterans attending university under the Veterans Rehabilitation Act.

GREECE—CANADIAN REPRESENTATION

Mr. CHURCH:

1. Has any proposal been received by the government of Canada from the government of Great Britain regarding the situation in Greece?

2. Has Canada any forces in that country at the present, or any representatives? If so, who are they?

Mr. ST. LAURENT:

1. No.

2. Canada has no forces in Greece at present. Major General the Hon. L. R. LaFleche, D.S.O., is the Canadian ambassador to Greece.

*AIR MAIL

Mr. KNOWLES:

1. Has consideration been given to the sending of all first-class mail between distant points in Canada by air mail? If so, what action has been taken in the matter?

2. Have any steps been taken to reduce Canadian air mail postage? If so, what has been done in this regard?

Mr. BERTRAND (Laurier): This question has to do with the policy of two departments, Trans-Canada Air Lines and the Post Office. All I can say at the moment is that we are studying this question and giving serious consideration to it.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL EXPENDITURES IN PROVINCES ON WAR PROJECTS

Mr. HAZEN:

1. What was the total value of war contracts awarded by dominion government departments or crown companies during the war years in (a) Prince Edward Island; (b) Nova Scotia; (c) New Brunswick; (d) Quebec; (e) Ontario; (f) Manitoba; (g) Saskatchewan; (h) Alberta; (i) British Columbia?

2. What amounts have been spent by Wartime Housing Limited, and how many housing units have been provided in (a) Prince Edward Island; (b) Nova Scotia; (c) New Brunswick; (d) Quebec; (e) Ontario; (f) Manitoba; (g) Saskatchewan; (h) Alberta; (i) British Columbia?

Mr. McILRAITH: Return tabled.

NATIONAL RESEARCH COUNCIL—PATENTS

Mr. JAENICKE:

1. How many patents has the National Research Council acquired since its establishment (a) by discovery or invention; (b) by purchase?

[Mr. Mackenzie.]

2. How many patents has the National Research Council sold, assigned, or made available to the public since the establishment of the council?

3. Of the patents sold, assigned, or made available to the public (a) what was the nature, title and name of the patent involved in each sale or disposal; (b) on what dates were the patents so disposed of in each case; (c) who were the purchasers or assignees or grantees of such patents in each case; (d) what was the price or consideration in each case (e) which of these dispositions, sales or assignments were outright sales?

Mr. McILRAITH: Return tabled.

NATIONAL FILM BOARD

Mr. CARDIFF:

1. Since January 1, 1945, what motion pictures have been produced by the National Film Board?

2. What are the titles and the total cost of each such motion picture?

3. Do the answers to questions 1 and 2 give a complete list of all films produced by or on behalf of the Government of Canada during the period mentioned?

4. If not, give the titles and total cost of such other films indicating by whom they were produced?

Mr. McCANN: Return tabled.

NATIONAL HOUSING ACT

Mr. FLEMING:

1. How many housing units were built and completed for occupancy in 1946?

2. How many of that number were constructed (a) under Part I of the National Housing Act; (b) under Part II of the National Housing Act; (c) under Part III of the National Housing Act; (d) by the Veterans' Land Administration; (e) by Wartime Housing Limited; (f) by Housing Enterprises Limited?

3. Up to December 31, 1946, under the National Housing Act, 1944: (a) How many contracts have been entered into under Part I? (b) What is the total number of houses for which loans have been authorized under Part I? (c) How many of such houses have been completed and are now occupied? (d) What is the total amount of the loans authorized under Part I? (e) How many contracts have been entered into under Part II of the Act? (f) What is the total number of rental housing

[Mr. Hazen.]

projects for which loans have been authorized under Part II? (g) How many of such rental housing projects are low-rental housing projects? (h) How many of such rental housing projects have been completed and are now occupied, and how many of them are low-rental housing projects, and where are they located? (i) What is the total amount of the loans authorized under Part II? (j) How many limited dividend corporations have been recognized as qualified to receive loans under Section 9 of the Act? What are they and where are they authorized to operate rental housing projects? Which ones are institutional housing corporations, and which are institutional holding companies? (k) Which of such limited dividend housing corporations have

received loans under Part II? (l) (1) To how many municipalities have grants been made pursuant to section 12; (2) what are the individual amounts of such grants and what municipalities respectively received them; (3) what are the other terms, if any, of the said grants? (m) (1) How many municipalities have applied for grants pursuant to section 12; (2) how many have been refused; (3) how many of such applications are still pending? (n) How many contracts have been entered into under Part III? (o) (1) What is the total number of houses for which loans have been authorized under Part III; (2) how many of such houses have been completed and are now occupied? (p) What is the total amount of the loans authorized under Part III? (q) How many contracts have been entered into with manufacturers of plumbing and heating equipment or other component parts of houses, pursuant to Section 15? (r) How many payments have been made under part IV, and what is the total thereof? (s) What studies and investigations, planning and research have been carried on under part V? (t) What expenditures have been made pursuant to part V out of the $5,000,000 authorized by parliament in 1945, under section 27A?

RADIO BROADCASTING—PROVINCIAL-OWNED STATIONS IN MANITOBA AND ALBERTA

Mr. THATCHER:

1. Did the C.B.C. refuse a licence to the Saskatchewan government to purchase radio station CHAB Moose Jaw. If so, on what grounds?
2. Are any provincial-owned stations operating in Manitoba or Alberta?
3. If so, what stations?
4. Has the C.B.C. taken any action regarding a change in the ownership of these stations?

Mr. GIBSON (Hamilton West): Return tabled.

WHEAT—SHIPMENTS TO BRITAIN

Mr. REID:

1. What quantites of wheat have been shipped to Great Britain during the calendar months of 1946?
2. Of the quantities of wheat shipped to Great Britain how many bushels have been routed through the various ports of Canada?
3. What department of government is responsible for the routing of grain from Canada to Great Britain?
4. What department of government is responsible for the storage of wheat in the various governmental elevators?
5. What quantities of wheat have been stored in the various elevators by this same authority?

Mr. McCANN: Return tabled.

POSTAL RATES

Mr. CHURCH:

What action has been taken since the postmaster general's estimates were before the house last August, with respect to a reduction of the postal rates (a) in cities, from three to one cent; (b) letters for delivery in Canada, from four to three cents; (c) to extend the postal system on additional lines to include all the functions of the present British post office system?

Mr. GIBSON (Hamilton West): Return tabled.

CIVIL SERVICE—WAR DUTIES SUPPLEMENTS

Mr. MENARY:

1. How many (a) permanent civil servants, and (b) temporary civil servants are still receiving war duties supplements?
2. What are the names of (a) permanent civil servants, and (b) temporary civil servants who are still receiving war duties supplements?
3. In what department of government is each such person employed?
4. What is the amount of each war duties supplement paid to each such person?
5. What are the extraordinary duties performed by each such person for which the war duties supplement is paid?
6. What is the salary, exclusive of war duties supplement, of each such person?

PAYMENT OF MUNICIPAL TAXES BY CROWN COMPANIES

Mr. MURPHY:

1. Do crown companies pay to any municipality municipal taxes or any sum in lieu of municipal taxes, or a grant, yearly or otherwise, for any purpose, or any sum determined by the government or its agents, or agreed upon by the government or its agents and such municipality?
2. If so, which municipalities and what crown companies, and what were the sums so paid each year, 1940 to 1946 inclusive?

PATENTS

Mr. JAENICKE:

1. How many notices has the commissioner of patents sent under section 64 of the Patents Act to patentees or their representatives since the enactment of the said section?
2. How many returns were made in respect of such notices sent by the commissioner?
3. How many applications were made to the commissioner under section 65 of the Patents Act since the enactment of the said section (a) by the attorney general of Canada; (b) by any other person interested, and what was the nature of the abuse complained of in such applications?
4. How many of the applications made under section 65 were dealt with by the commissioner?
5. In how many cases did the commissioner find that abuse was established, and what was the nature of the patents involved and the nature of the abuse complained of in each case?
6. In how many cases did the commissioner find that abuse was not established, and what was the nature of the patents and the nature of the abuse complained of in each case?
7. How many such applications under the said section 65 of the Patents Act were abandoned?
8. Are there any applications under section 65 of the Patents Act now pending?
9. In those cases in which the commissioner held abuse to be established under section 65 of the Patents Act what powers did he exercise in each case?

10. Were any orders or decisions of the commissioner under sections 65 to 70 of the Patents Act appealed to the exchequer court, and if so state the nature of the patents and of the abuse of same involved in each case where such appeal was allowed or where such appeal was dismissed?

Mr. GIBSON (Hamilton West): Return tabled.

SUBSIDIES AND OTHER ASSISTANCE TO COAL OPERATORS IN MARITIMES

Mr. BROOKS:

What assistance has been given by any department of the government to each individual coal operator in New Brunswick and Nova Scotia from the year 1925 to the end of the year 1946 by way of (a) subventions; (b) bonus; (c) other assistance?

Mr. McILRAITH: Return tabled.

IMMIGRATION—HUTTERITES

Mr. HANSELL:

1. Under what act, treaty or regulation have the people known as Hutterites been permitted to enter Canada?

2. When did this act, treaty or regulation first become effective?

3. How many Hutterites have come to Canada during each of the years since they were first permitted to enter?

4. How many Hutterite colonies are there in each of the provinces of Canada?

5. What is the total Hutterite population in Canada?

6. What is the total Hutterite population in Alberta?

7. How many colonies are there and what is the total population of Hutterites south of High river in the province of Alberta?

ORDERS IN COUNCIL—MILITIA ACT

Mr. DIEFENBAKER:

1. (a) How many orders in council were passed between the 3rd of September, 1939, and the 10th of May, 1945; (b) from May, 1945 to September, 1945, both inclusive; (c) from the 1st of October, 1945, and to date?

2. Of these, how many were passed in each of the said periods in connection with the army and under the provisions of the Militia Act?

MARITIME PROVINCES FISHERY INSPECTORS

Mr. HAZEN:

What are the names and addresses of the men residing in the electoral district of St. John-Albert, New Brunswick, who applied for positions of fisheries inspectors in the maritime provinces in 1946?

Mr. GIBSON (Hamilton West) Return tabled.

CADETS—ARMY, NAVY AND AIR

Mr. HAMEL:

1. In 1946, what was the number of (a) army; (b) navy; (c) air cadets, in each province?

[Mr. Jaenicke.]

2. What was the cost of training army cadets in 1946 in each province?

3. What amount is paid for each army cadet, and for what purpose?

4. When recruiting army cadets, is the consent asked of (a) parents; (b) children; (c) other persons?

5: Is the use of the French and English languages optional in the training of (a) army; (b) navy; (c) air cadets?

7. What is the training programme for army cadets?

Mr. LAPOINTE: Return tabled.

NATIONAL FILM BOARD—CLIPPING SERVICE

Mr. FRASER:

1. What newspapers, magazines, periodicals and pamphlets did the national film board subscribe to during 1946-47?

2. How many employees of the national film board are employed in reading newspapers, magazines, periodicals and pamphlets, and cutting out clippings from same during 1946-47?

3. What use does the national film board make of these clippings?

Mr. McCANN: Return tabled.

MEDICAL DOCTORS

Mr. SHAW:

1. By provinces, how many medical doctors are there in Canada?

2. How many medical students were registered at Canadian universities as at December 31, 1946?

3. How many medical doctors left Canada during 1945 and 1946 to establish residence elsewhere?

4. Under existing immigration regulations, do medical doctors qualify as admissible persons?

6. Who decides whether French or English is to be used in training?

5. How many medical doctors who have come to Canada since January 1, 1940, have sought but not yet been granted permission to engage in the practice of their profession?

CANCELLATION OF NATIONALIZATION CERTIFICATES

Mr. DIEFENBAKER:

Have any certificates of naturalization been cancelled during each of the years 1945, 1946 and 1947 to date? If so, how many and on what grounds?

Mr. GIBSON (Hamilton West): Return tabled.

CANADIAN OVERSEAS FIRE FIGHTERS

Mr. CHURCH:

1. Has anything been done since last session to implement the recommendations of the committee on veterans affairs for full recognition and equal status of the firemen who enlisted for active service in the last war in the armed forces overseas?

2. What action has the government taken on the matter, if any, for 1947?

UNEMPLOYMENT INSURANCE—VANCOUVER CONSTRUCTION FIRMS

Mr. MacINNIS:

1. Have certain construction firms in Vancouver, British Columbia, collected unemployment insurance contributions, which they failed to account for to the unemployment insurance commission?
2. If so, what are the names of such firms?
3. Have prosecutions or proceedings to collect been taken against these firms?
4. What is the status of the employees of such firms with the unemployment insurance commission in case of claims for unemployment insurance benefits?

Mr. MITCHELL: Return tabled.

HOUSING—CONSTRUCTION UNDER DIFFERENT GROUPS

Mr. TIMMINS:

1. How many houses were constructed in Canada in 1946 under the following groups: (a) Wartime Housing Limited; (b) integrated housing; (c) Veterans' Land Act; (d) Housing Enterprises Limited?
2. How many of these houses in each of these groups were actually rented to tenants?
3. Were any emergency housing units included in the minister's total of 60,000 units for 1946, and if so, how many?

HOUSING CONTRACTS

Mr. TIMMINS:

What contracts are in existence at this date for houses to be completed in 1947 and how many housing units will be provided thereunder: (a) Wartime Housing Limited; (b) Integrated Housing; (c) Veterans' Land Act; (d) Housing Enterprises Limited?

EXCHEQUER COURT—DECISIONS AGAINST THE CROWN

Mr. DORION:

During the last five years (a) how many decisions were rendered against the crown by the exchequer court; (b) what time elapsed between the final judgment—of the exchequer court or court of appeal, as the case may be—and the carrying out, by the crown, of the orders made?

GOVERNMENT AGENCIES—BUILDING SPACE THROUGHOUT CANADA

Mr. FLEMING:

What was the total amount of building space occupied in each of the cities of Canada by the government and all government boards and commissions on the following dates: (1) August 1, 1939; (2) August 15, 1945; (3) February 1, 1947?

PILOTS

Mr. ISNOR:

1. What were the net earnings per man for each of the years 1938, 1939, 1944, 1945, 1946, of pilots in the following districts: Halifax, Sydney, Saint John, Quebec, Montreal and British Columbia?
2. What was the total number of pilots for each district in these years?

FREIGHT RATES

Mr. IRVINE:

1. Are the Canadian National Railways and the Canadian Pacific Railway permitted to compete in rates between points in Canada?
2. Does the board of railway commissioners supervise the running time between Canadian National Railways and Canadian Pacific Railway between any competitive points in Canada?
3. Is the Canadian National Railways permitted to take advantage of its favourable grades between Montreal and Vancouver (a) in time; (b) in rates?
4. By what route and by what railways is mail carried to Jasper, Alberta, from Vancouver, British Columbia?

CANADIAN LEGION EDUCATIONAL SERVICE COURSES

Mr. NICHOLSON:

1. During the period January 1, 1940 to December 31, 1946, how many Canadian legion educational service correspondence courses were issued to (a) personnel of the three armed services and the merchant navy; (b) veterans of the three armed services?
2. During January, 1947, how many applications were received for Canadian legion educational service courses from (a) service personnel; (b) veterans?
3. During January, 1947, how many students were reported "active" by the correspondence instructors, and, of these, huw many were (a) service personnel; (b) veterans?
4. What, if any, plans for continuing to make these correspondence courses available to personnel of the armed services are under consideration?

Mr. GIBSON (Hamilton West): Return tabled.

VETERANS' LAND ACT—DISTRICT AND REGIONAL OFFICES

Mr. STEPHENSON:

1. How many district and regional offices are there established in Canada under the Veterans' Land Act?
2. Where are they located?
3. What are the names of all those employed in any way with each district regional office, their occupation and salary?
4. What has been the total cost for administration of the V.L.A. from its inception up to February 28, 1947?

REPATRIATION OF CANADIANS FROM JAPAN

Mr. BLACK (Yukon):

What has it cost Canada to repatriate Canadian civilians from Japanees prison and concentration camps?

OFFICIAL SECRETS ACT—REPRESENTATIONS IN FAVOUR OF ACCUSED

Mr. POULIOT:

What are the names of the persons who made joint or individual representations to the government in favour of the accused persons in the Gouzenko espionage investigation?

CANADIAN REPRESENTATIVES ABROAD—ALLOWANCES FOR FURNITURE, ETC.

Mr. FRASER:

1. From January 1, 1940 until January 1, 1947, what amount has been allowed ambassadors, ministers, consul-generals, high commissioners and other members of the external affairs department outside of Canada, for (a) household furniture; (b) redecorating; (c) household supplies and equipment?

2. Was this furniture, or equipment, to replace furniture, or equipment, that had been sold?

3. If so, in what places?

TOURISTS—FEDERAL CONTRIBUTIONS TO PROVINCES FOR HIGHWAYS

Mr. MURPHY:

1. Has the government contributed to the construction of highways in any province to promote the tourist industry?

2. If so, to what provinces and what amount to each?

GRAIN SHIPMENTS VIA HUDSON BAY AND GREAT LAKES

Mr. McLURE:

1. What quantity of grains, namely, oats, barley, et cetera, were shipped by boat from Fort Churchill to various destinations during the past year?

2. What are the freight rates on the different grains from Fort Churchill, also the rates from the head of the lakes, and from Montreal to maritime points, such as Halifax, Saint John, Charlottetown?

3. How long in the year is Fort Churchill open for water transportation and is there much difficulty experienced with ice conditions?

4. Could the elevators at Halifax and Saint John be utilized for grain storage of coarse grains for domestic purposes in the maritimes?

5. Would lake boats or barges be suitable for transporting coarse grains to Charlottetown?

FEDERAL PROPERTIES IN CHARLOTTETOWN

Mr. McLURE:

1. How many federal building properties are in Charlottetown, Prince Edward Island?

2. What departments of the service are said buildings occupied by?

3. How many properties are under rent or lease to the federal government in Charlottetown?

4. What departments are occupants of such rental properties?

5. What are the annual or monthly rentals?

6. Who are the owners of these properties?

YUKON TERRITORY—INCOME TAX AND SUCCESSION DUTIES

Mr. BLACK (Yukon):

1. Did Yukon territory surrender to the government of Canada or to any department thereof, the right to collect (a) income taxation; (b) succession duties?

[Mr. Pouliot.]

2. If so, on what date in each case?

3. On what terms was such surrender made?

4. What, if anything, has Yukon received from the government of Canada in consideration of surrendering said sources of territorial revenue, and at what dates?

LAMBTON COUNTY FEDERAL GOVERNMENT EMPLOYEES

Mr. MURPHY:

What are the names, positions and salaries of all federal government employees in the county of Lambton, other than postal employees at Sarnia and customs and immigration officers at Sarnia and Point Edward?

FEDERAL SEED RELIEF

Mr. McCUAIG:

1. What was the total cost of federal seed and relief, 1914-20, inclusive?

2. How much principal (a) has been repaid; (b) has been cancelled; (c) is outstanding at this date?

3. How much interest (a) has been repaid; (b) has been cancelled; (c) is outstanding at this date?

4. When were the last official notices to pay up sent to the recipients of this seed and relief?

5. How many of such original recipients are still living on the land in Saskatchewan against which this relief was filed?

6. What are the main districts in Saskatchewan against which this relief is outstanding?

7. What is the cost to the federal treasury of keeping open this old account for seed and relief (a) total since the beginning; (b) amount, year by year since the beginning.

MOTIONS FOR PAPERS

IMPORTATION OF NEW ZEALAND BUTTER

Mr. BRACKEN:

For a copy of all communications dated since January 1, 1946, between the government of Canada and the government of the United Kingdom or the government of New Zealand regarding the importation of New Zealand butter into Canada.

Mr. ST. LAURENT: The original negotiations in this connection were conducted in a series of meetings held in London between the United Kingdom authorities and the high commissioners of Canada, Australia and New Zealand, and are not contained in any documents; but the nature of the subject matter of these discussions is made clear in a memorandum on the Canadian butter position which was communicated as an *aide mémoire*, and which I will be tabling with the subsequent documents, as we have now obtained the consent of the other governments that this be done.

AIRWAYS POST OFFICES IN ALBERTA

Mr. FAIR:

For a copy of all correspondence from January 1, 1940, to date, exchanged between the Post Office department and any parties interested in the transfers of the airways post offices in Alberta.

CAPITAL ASSISTANCE TO PRIVATE FIRMS

Mr. HATFIELD:

For a statement showing the total amount paid, since September 1, 1939, by the government of Canada or any of its agencies by way of capital assistance to private firms, the statement to show the firms to which assistance granted and the total amount granted to each firm.

Mr. McILRAITH: This notice of motion was dealt with on a previous occasion, with the understanding that it would stand until a motion of the leader of the opposition had been dealt with and an answer tabled in the house. Therefore I ask that this motion stand.

Motion stands.

DEFENCE OF CANADA REGULATIONS—CIVIL LIBERTIES LEAGUE

Mr. POULIOT:

For a copy of all telegrams, letters, memoranda, and petitions from the Civil Liberties League to the government (a) protesting against the prosecution of Lt.-Col. George Alexander Drew and Mr. Rene Chaloult for alleged violations of the Defence of Canada regulations; (b) for the release of any person detained by virtue of order in council P.C. 6444 of October 6, 1945,—or any other subsequent order in council relating to espionage or any violation of the Official Secrets Act,—and to protest against such orders in council; and (c) for an amnesty to N.R.M.A. men from V-E day, 1945.

DEFENCE OF CANADA REGULATIONS—CENSORS OF PRESS PUBLICATIONS

Mr. POULIOT:

For a copy of letters or memoranda from the chief censors of Publications (press) reporting alleged violations of the Defence of Canada regulations during world war II by members of the Ottawa press gallery, Lt.-Col. George Alexander Drew and Mr. Rene Chaloult.

Mr. ST. LAURENT: I have to ask the hon. member if he will consent to drop this motion. If there are communications in that regard they would be confidential communications by the censors to the minister responsible for censorship during the war. What happened was that papers were accumulating in many departments in such volume that a committee was set up to determine which could be destroyed and not require room for housing, and which should be preserved. With respect to the censorship papers the decision was that four copies of a complete narrative with exhibits be prepared, one to be deposited with the Department of National Defence, the second with the Department of External Affairs, the third with the Privy Council and the fourth to remain with the records of the directorate. Subsequently instructions were given to the censors by the committee that these records of the directorate of censorship which had been selected for preservation, together with one copy of the completed narrative, excluding exhibits, be placed in sealed containers and handed over to the Under-Secretary of State for External Affairs for continuing custody. All the remaining records were placed in nine filing cabinets, which were also handed over on February 22, 1946 to the Department of External Affairs with this completed narrative.

I understand the practice in other countries is not to destroy such papers, which may at some later date have an historical value, but that the practice is that for a period of ten years at least they are not disclosed. I have not looked at the narrative nor at the files which were transferred to the Department of External Affairs. I am not in a position to say whether or not there are any memoranda referring to the matter described in the motion, but even if there were they would be in the form of confidential reports by an officer to his minister or information to the minister given for the purpose of having the minister take such action as he would be prepared to assume responsibility for. They are not documents which are usually tabled.

Mr. POULIOT: I thank the right hon. gentleman for the explanation which he has given. I gladly comply with his request and I hope that the past will be distant enough in the near future to become history so that we shall know what is in these documents.

TRANS-CANADA AIR LINES—CARRIAGE OF MAILS

Mr. MENARY:

For a copy of all contracts, or other agreements with Trans-Canada Air Lines for the carriage of air mail.

ATOMIC ENERGY—REPORTS OF CANADIAN REPRESENTATIVES ON CONTROL COMMISSION

Mr. MENARY:

For a copy of all reports made to the government by the Canadian representatives on the atomic control commission.

Mr. ST. LAURENT: I would ask the hon. member to allow this to stand. I told him the other day that I intended to make a statement in the form of a report on the atomic energy commission. One had been prepared, but events of the last few days have been such

that it is no longer up to date and it will have to be rewritten. I hope that will be done shortly.

Motion stands.

FEDERAL DISTRICT—DEVELOPMENT OF NATIONAL CAPITAL

Mr. BOUCHER:

For a copy of all reports made to the government, since September 1, 1945, by Mr. Jacques Greber, regarding the development or beautification of the city of Ottawa and adjacent territory.

Mr. MACKENZIE KING: My hon. friend asks that preliminary reports by Mr. Greber on the development and improvement of Ottawa be produced. I need only point out that if that were done, speculators would immediately begin to interest themselves in the projects that were set forth, in a manner which might prejudice the whole development later on. I trust that in the circumstances he will not ask for the disclosure at this stage of any of the reports.

Mr. BOUCHER: I do not insist upon such reports as might involve the danger the Prime Minister suggests, but there should be reports covering the general scheme which could very well be tabled without divulging exact locations of interest to speculators.

Mr. MACKENZIE KING: If I mistake not, I did table a report containing Mr. Greber's plans in a general way. However, I will look into the matter further and if there is anything that can be given, not likely to prejudice the scheme, I shall be glad to have it tabled.

Mr. COLDWELL: I suggest it might be well to consider freezing the prices of all properties before these reports are brought down so that speculators would not benefit.

Motion dropped.

Mr. BOUCHER:

For a copy of all letters or other communications dated since January 1, 1945, exchanged between the Prime Minister or any official of his staff, the Minister of Public Works or any official of his department including Mr. Jacques Greber, the Minister of Finance or any official of his department, and the mayor or any official of the cities of Ottawa and Hull on the subject of the national capital beautification and development.

HALIFAX DOCKYARD—LAYOFF OF CIVILIAN EMPLOYEES

Mr. ISNOR:

For a copy of all correspondence from January 15, 1947, to date exchanged between the Minister of National Defence, or officials of that department, and any other party relating to the proposed layoff of civilian employees at the H.M.C. dockyard, Halifax.

[Mr. St. Laurent.]

JAPANESE—FISHING LICENCES, B.C. COAST

Mr. REID:

For a copy of all correspondence including telegrams, and other documents addressed to the Minister of Fisheries or any of his officials, from individuals, companies or their representatives, representatives of any organizations, or of provincial governments on behalf of any Japanese with the view of their being granted licences to allow them to engage in the fishing industry on the coastal waters of British Columbia.

Mr. BRIDGES: It will be noted that the motion makes no reference to any date or time. If it is agreeable to the hon. member, I suggest that the time be limited to the period since January 1, 1946, in which event there will be no objection to the motion carrying.

Mr. REID: That is agreeable.

Mr. SPEAKER: The motion as amended is carried.

PRINTING BUREAU—PRINTING TRADES WORKERS

Mr. KNOWLES:

For a return showing (a) a copy of all civil service advertisements since January 1, 1944, for printing trades workers for the government printing bureau at Ottawa; (b) the names of all those who have applied for positions at the said bureau and/or entered civil service competitions for the same since January 1, 1944; (c) the number and dates of said competitions held since January 1, 1944, together with the names of applicants rejected and the names of applicants employed by the bureau following each competition, with the weekly wage rate in each case; (d) the number of vacancies in printing trades at the bureau and the number of applicants for positions on file as at January 1, 1944; July 1, 1944; January 1, 1945; July 1, 1945; January 1, 1946; April 1, 1946; July 1, 1946; October 1, 1946; January 1, 1947.

RAILWAY MAIL CONTRACTS

Mr. JAENICKE:

For a copy of all contracts with Canadian National Railways, Canadian Pacific Railway Company, and any other railway company for the carrying of His Majesty's mail in Canada?

DOMINION COAL COMPANY—CONTRACT RESPECTING PAYMENT OF LOSSES

Mr. GILLIS:

For a copy of the contract between the federal government and the Dominion Coal Company under which the losses of that company are paid by the federal government.

Mr. HOWE: On examination I find that the agreement with the Dominion Coal Company is covered by a series of orders in council. There is no formal agreement but I shall be glad to table the orders in council.

Motion carried.

WITHDRAWAL OF OCCUPATIONAL FORCES FROM EUROPE

Mr. PEARKES:

For a copy of all correspondence, letters, telegrams, and other documents exchanged between the government of Canada, and the government of Great Britain, or any members or officials thereof relative to the withdrawal of the Canadian occupational forces from Europe.

Mr. MACKENZIE KING: This motion is in similar terms to that which was made by the hon. member for Nanaimo during the last session. It came up for consideration on April 8. At the time, I felt obliged to point out that correspondence of the kind was, according to long-standing precedent, privileged. I asked the hon. member not to press for it, because it would not be possible to meet his wishes. To the motion as it stands on today's order paper I would have to make a similar reply.

Correspondence between governments if of a secret or confidential nature, is not normally made public unless the consent of all the governments concerned has first been asked and obtained. Apart from this, it is the practice for the governments of the nations of the British commonwealth to communicate with one another freely and frankly on all questions of common concern. Such communications are not in general intended to be made public. To create a precedent under which communications of this character were made public in little more than a year after they were written, might inhibit in future full and frank communications between the governments of nations of the British commonwealth. It is therefore the view of the Canadian government that it would not be in the public interest to table, at the present time, the correspondence between the Canadian and the United Kingdom governments on the withdrawal of Canadian occupational forces from Europe.

Having said this much, I hasten to add that in bringing forward this motion a year ago, the hon. member stated in reply to what I had then said:

If the Prime Minister is unable to produce all the papers, perhaps he could produce sufficient to clear up the matter, or he may be prepared to make a statement with regard to the reasons behind the withdrawal of this force.

To this I replied that I had no doubt the matter would come up when the minister of defence would be dealing with his estimates or at some other appropriate moment; that I knew the minister would be only too ready to make a statement at that time.

I was absent in the United Kingdom when the defence estimates were being discussed in the house and unable, therefore, to say just how far statements made by the minister at the time may have covered the matter to the satisfaction of my hon. friend.

May I say that the request of the hon. member, in asking, if the Prime Minister was unable to produce all the papers, perhaps he could produce sufficient to clear up the matter, or might be prepared to make a statement with regard to the reasons behind the withdrawal of this force, seems to me a wholly reasonable one, and had I been in the house when the defence estimates were before the house a year ago, I would have been prepared to make the statement requested. The government has every reason for desiring that the facts be known and understood.

In the expectation that my hon. friend would be prepared to take the same attitude today as he did a year ago, I have endeavoured to meet his wishes by preparing a statement with regard to the reasons behind the withdrawal of the force. The statement is based on the communications exchanged between our government and the government of the United Kingdom and will, I believe, without creating a precedent which might inhibit in future full and frank communications between the governments of nations of the British commonwealth, meet in full the request for the reasons relative to the withdrawal of the Canadian army occupational forces from Germany.

The question of the provision of Canadian forces for occupational duty in Germany, after the defeat of Germany had been achieved, was one which was given very careful consideration over a considerable period of time. As a matter of fact, the matter was referred to in several telegrams between the governments of the United Kingdom and Canada over a period of a year and a half prior to January, 1945. It was also discussed with Mr. Churchill and the United Kingdom chiefs of staff on the occasion of the Quebec conference in September, 1944. There were further consultations through service channels.

On January 9, 1945, the United Kingdom government was informed that our government had decided to provide, for a period yet to be determined, one army occupational group of approximately 25,000 all ranks for duty within the British zone of occupation in Germany and eleven R.C.A.F. squadrons to be stationed partly in Germany and partly in the United Kingdom.

At the time of sending this word, however, the government of the United Kingdom was informed that there were some over-all con-

siderations of policy which the Canadian government felt should be communicated intergovernmentally.

In this connection I quote the following from the communication sent the British government:

We hold most firmly to the view that, upon the cessation of hostilities with Germany, Canadian forces should be repatriated from the European theatres as quickly as circumstances will permit. A noticeable number of our troops are now in their sixth year of service overseas. A considerable proportion have now served three years abroad. In any event, the average length of overseas service of Canadian forces must be considerably higher than that of the United States forces. Consequently when fighting against Germany has ended there will be a natural and insistent demand here in Canada, as well as amongst our troops abroad, that they should be brought home in the shortest possible time and certainly with no less despatch than that with which American forces will be returned to the United States.

You are well aware that the difficult problem of sea transportation will continue for a considerable time after the defeat of Germany and that the early repatriation of all our forces, no matter how much this will be desired, will not be possible of achievement. Nevertheless, we must say that it would be both unwise on our part, and misleading to you, were we, at this stage, definitely to undertake to furnish occupational forces for the whole period of military control in Germany.

In these circumstances we take the view that our present decision should be reviewed towards the end of the next fiscal year, i.e., prior to 31st March, 1946. By that time much that is now hypothetical should be clearer. We should by then be better able to assess the length of the period of full military control of Germany, the strength of occupational forces which can be provided by our European allies, and the requirements of the Japanese war for manpower and shipping. It is uncertain, moreover, for how long after the fighting ends it will be politically possible to provide Canadian occupation forces in view of the fact that the plans for the control of Germany give the Canadian government no voice in the direction of policy.

It will be noted that this communication was sent in January, 1945—over four months before the war with Germany had ended—and before questions of procedure and representation in the making of treaties of peace had been finally determined.

In December, 1945, the Canadian government, referring to the statement made in January of that year, namely that it would be necessary for us to review before the end of that fiscal year the Canadian commitment to provide one army occupational group of approximately 25,000 and eleven R.C.A.F. squadrons, made representations as follows to the government of the United Kingdom:

The cabinet have now given careful consideration to full reports on the subject submitted by our chiefs of staff. These reports have emphasized the serious administrative problems that are involved in maintaining comparatively small forces at so great a distance from Canada.

On the basis of the shipping estimated as likely to be available, it is now probable that the Canadian army overseas, except for the occupation force and administrative staffs, will have been repatriated to Canada by March or April of next year. Until this movement is completed the occupation force can be maintained at full strength without substantial departure from established repatriation priorities and without encountering serious problems with respect to replacements. After that time, however, the retention in Europe of the whole occupation force would create administrative difficulties out of all proportion to the numbers involved. We would, furthermore, expect that by then some of the European allies should be in a position to make a larger contribution to the forces which will continue to be required in the British zone in Germany.

The government have, therefore, decided that, beginning in April next, the Canadian Army occupation force should be progressively reduced on a schedule which would provide for its withdrawal by stages with the object of completing movements from the continent before the end of next summer and repatriating all Canadian Army personnel now overseas by the autumn of 1946.

Accordingly, the staff have been instructed to proceed with plans for the movement of the occupation force to Canada via the United Kingdom and to work out these arrangements in such a way as to permit of the orderly release of Canadian formations in consultation with United Kingdom military authorities.

Mr. BRACKEN: Will the Prime Minister give us the date on which that last communication was forwarded?

Mr. MACKENZIE KING: December, 1945. On January 3, 1946, the Canadian government was requested by the United Kingdom government to reconsider this decision on the ground that the withdrawal of the Canadian forces would inevitably result in the retention of an extra number of forces from the United Kingdom. It was also pointed out that when Canada had withdrawn her forces, the United Kingdom would still have a number of men serving in Germany who would have had as much as five years service.

It was suggested that Canada should keep a Canadian division and elements of the Royal Canadian Air Force in Europe at least until after the spring of 1947.

In his message, the Prime Minister of the United Kingdom stated that it was recognized that this suggestion would present considerable difficulties for us but it was well that both governments should not hesitate in making known all aspects of their respective situations.

In reply to his communication of January 3, the Prime Minister of the United Kingdom was informed that our government would not be able to modify the decisions about the withdrawal of the Canadian occu-

pational forces as previously communicated. It was pointed out that these decisions had been reached by the full cabinet after a close review of the problems involved in maintaining a Canadian force in Germany after March 31, 1946.

It will be recalled that at that time, namely January of last year, the Right Hon. Mr. St. Laurent, the Right Hon. Mr. Gardiner, the Hon. Mr. Martin and officials of the Canadian government were in London attending the inaugural meeting of the United Nations Assembly. The Hon. Mr. Gibson was also in London on other business.

On January 22 a meeting was held between the Prime Minister of the United Kingdom and Mr. St. Laurent and his ministerial colleagues at which the question of occupational forces was fully discussed. A verbal report of this meeting was later given to the cabinet.

On February 13, 1946, the Prime Minister of the United Kingdom was informed that the Canadian government had again reviewed the position of the Canadian contingent in the United Kingdom occupational forces in Germany, having in mind the considerations which were put forward at the meeting between himself, Mr. St. Laurent and other Canadian ministers who were in London, in January; that, in all the circumstances, we could see no alternative to the course of action communicated in our message of December the 8th, 1945, and confirmed in a message of January the 14th, 1946.

In view of this decision, an announcement became urgent.

The following is the text of the public statement as made on February 15, 1946:

The Prime Minister, Mr. Mackenzie King, announced today that the withdrawal from Germany of the Canadian troops in the occupation army would begin early in April and that, with the present shipping forecast, all troops now in Germany should be back in Canada by September or October.

In making the announcement, Mr. King recalled a statement he had made in the House of Commons on April 4 of last year in which he indicated that from time to time, as considerations of safety and security permitted, reductions would be made in the size of the occupation forces.

At the outset, Canadian participation in the occupation of Germany was a natural development from our participation in the military operations in northwest Europe. Unlike the United Kingdom, the United States, the Soviet Union and France, Canada is not one of the occupying powers and is not a member of the allied control commission. The Canadian contingent has consisted only of one division with ancillary troops in the British occupational zone.

Certain of the other European allies which were not in a position to supply contingents at the beginning of the occupation are now becoming increasingly able to share in occupation duties.

Now that the greater part of the Canadian army has been repatriated, the maintenance of a small occupation force thousands of miles from home has become increasingly difficult. Aside from grave difficulties in certain aspects of administration, the overhead required to provide headquarters, services, amenities, etc., for the Canadian force is inevitably quite out of proportion to its size.

As has been previously announced, one squadron of the R.C.A.F. will be withdrawn from the occupational force at the end of March, 1946, and the remaining squadrons will be withdrawn on the 30th June. If satisfactory arrangements can be made, they may be withdrawn prior to that date.

The statement I have made today is, I believe, a true and full presentation of all essential features of this matter, and will, I hope, give to hon. members the information desired.

Mr. PEARKES: I appreciate the full and frank statement the Prime Minister has now given the house on this matter. I shall therefore be pleased to withdraw or to have dropped the motion for papers, which I agree is similar to one I placed on the order paper a year ago, but which was prompted by statements made in the house last week which seemed to be at variance with previous statements.

Mr. GREEN: Not much indication of "kicking out" in that statement.

Motion dropped.

FISHERIES

PRAIRIE PROVINCES—OPERATION OF PRICES SUPPORT BOARD

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before the orders of the day are called I should like to ask a question which the hon. member for Mackenzie (Mr. Nicholson) had intended to ask of the Minister of Fisheries. The hon. member has been called from the chamber for a few moments. In view of the probability of large quantities of fish from the fresh water lakes in Canada spoiling unless action is taken immediately by the dominion government, will the minister make a statement as to the prospects of the creation of a board under the Fisheries Prices Support Act.

Hon. H. F. G. BRIDGES (Minister of Fisheries): Mr. Speaker, in order to review the current situation in the fresh water fish trade to which the hon. member refers, the chief economist of this department is at present making a survey in the prairie provinces. He

has been discussing conditions with members of the trade and with government officials in the three prairie provinces, and his inquiry will be completed within another week or ten days, after which he will report his findings to me.

This appraisal of current conditions must not be taken to mean that the fisheries prices support board can be established in the next few weeks, or that if it were established, it would necessarily recommend specific action in this instance. Meanwhile I can make no further comment until I have an appraisal of the current situation respecting the freshwater fish trade in the prairie provinces.

BRITISH COLUMBIA—REDUCED FISH PRICES AND INCREASED COST OF GEAR

On the orders of the day:

Mr. H. G. ARCHIBALD (Skeena): I should like to ask the Minister of Fisheries a question of which I have not been able to give him notice. However, he can take this as notice. It arises out of a telegram I received from the united fishermen and allied workers union dealing with the fall in the price of fish and the rise in the cost of the fishing gear which places these fishermen rather in a jam. I should like to ask whether the government is considering placing certain classes of fish under the supervision of the prices support board.

Hon. H. F. G. BRIDGES (Minister of Fisheries): I received no notice of this question. There is nothing to add to what I have said already concerning this. Just before the house met I received a similar wire to that referred to by the hon. member, but I cannot say anything more at the present time.

BACON

PROPORTION OF INCREASED PRICE PAYABLE TO PRIMARY PRODUCER

On the orders of the day:

Mr. H. O. WHITE (Middlesex East): Mr. Speaker, will the Minister of Agriculture indicate to the house what proportion, if any, of the two-dollar increase for bacon, effective January 13, is being paid to hog producers?

Right Hon. J. G. GARDINER (Minister of Agriculture): I do not think it would be possible on the spur of the moment, or even after consideration, to give what could be called an exact answer to the question that has been asked. The situation existing at one point in Canada may be quite different from that at another. I would say however that practically all the two-dollar increase has been passed on to the producer. There might be some slight allowance because of increased cost brought about partly by increased wages put upon packing plants during the period just prior to bringing into effect the new two-dollar increase. But practically all the increase has been passed on to the producer.

HOUSING

REQUEST FOR ASSISTANCE IN PURCHASE OF HOUSES IN STATE OF WASHINGTON

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to ask a question of the Minister of Reconstruction and Supply. Has a request been received by the minister from the city of Vancouver asking the government's assistance in the purchase by the city of some 1,600 complete houses available at Bremerton in the State of Washington? If such a request has been received, is the minister able at this time to state the attitude of the government in the matter?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The answer to the first question is yes. The Central Mortgage and Housing Corporation are investigating the Bremerton houses. The information we have at the present time is that they are suitable for emergency shelter but not for permanent homes. If that information proves to be correct, the government will qualify these houses for grant under the emergency shelter legislation. That would be perhaps a fifty per cent grant, with a provision that the city would provide the property required, and manage the emergency units.

Unless, however, the information we have is quite wrong, these houses would not qualify for loans as permanent houses. In other words we think they may be suitable for emergency shelter and, if so we would be willing to give all possible assistance to the city to that end, and consider whether we could give a grant to move them to Canada as emergency shelter.

VETERANS AFFAIRS

PREMATRICULATION COURSES AT PRINCE ALBERT

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ask a question of the Minister of Labour. In view of the further representations which have been made for the continuance of the Canadian veterans' training school prematriculation course at Prince Albert until the completion of the course in June, has the government given consideration to permitting continuance beyond March 15?

Hon. HUMPHREY MITCHELL (Minister of Labour): It has been extended to April 15.

COARSE GRAINS

REQUEST FOR STATEMENT AS TO PRICES FOR COMING YEAR

On the orders of the day:

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. This is now March 10, and we have not had a word from the government with respect to its coarse grains policy. Seeding in western Canada will commence within twenty to thirty days. Can the minister give us any indication as to when we may expect an announcement from the government respecting coarse grains and flax prices for the coming year?

Right Hon. J. G. GARDINER (Minister of Agriculture): I am hoping we will be able to give it some time during this week.

THE KING'S BIRTHDAY

TO BE CELEBRATED IN CANADA ON JUNE 9

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Some days ago the hon. member for Lincoln (Mr. Lockhart) asked about the date on which the king's birthday would be celebrated in Canada. The reason for the delay in answering his question was the desire to ascertain His Majesty's wishes in the matter. The government had thought that Monday, June 9, would be the best date, and His Majesty is agreeable to that. Therefore the ninth day of June will be fixed for the celebration of the king's birthday in Canada.

PRIVILEGE

MR. LOW—PRESS GALLERY DINNER

On the orders of the day:

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I rise on a question of personal privilege. On Saturday night last the gentlemen of the press gallery held their annual dinner in this building. My complaint is not that they did so, and that they had a good time; it is that I was not able to be there. I received an invitation, which I appreciated, and up until the last minute I thought I would be able to attend, but matters arose over which I had no control and I was not able to be there. For this I should blame either the Canadian Pacific Railway, or the Minister of Labour, or both. I was not notified that I was to be one of the speakers at the dinner, but I understand that the hon. member for Calgary West (Mr. Smith) took my place.

Mr. MACKENZIE: And he made a very good job of it.

Mr. LOW: I understand he did a very creditable job.

Mr. MARTIN: He understood social credit.

Mr. LOW: I feel sure that any similarity between the doctrines of social credit and the doctrines expounded by my hon. friend in his excellent address on Saturday night is purely coincidental. I want to thank my hon. friend most earnestly for turning in and doing such a wonderful job. He certainly endeared himself further to the members of this house by that splendid and generous act.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES TO STANDING COMMITTEE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask the Secretary of State for External Affairs if it is the intention of the government to refer the estimates of the Department of External Affairs to the standing committee on external affairs, as was done before.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): No decision has been arrived at as yet. I will probably seek the privilege of appearing before the committee on external affairs, and ascertain what their views may be before having any decision made in that regard.

Mr. GRAYDON: If the decision is to send the estimates to the standing committee, I do hope that Your Honour will see that members of the house are not blocked from asking questions about external affairs as they have been this afternoon in connection with other questions.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, March 7, consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Low.

Mr. PIERRE GAUTHIER (Portneuf) (Translation): Mr. Speaker, a philosophical principle states that the repetition of an act creates a habit. We all rejoice over the Prime Minister's recovery and we are all glad to see him back in his seat in the house, but we

are not surprised because he is used to defeating his opponents. We have no doubt that with such good training he will also gain the next victory. It is also fitting that I should congratulate the mover (Mr. MacNaught) and the seconder (Mr. Cournoyer) of the address. That will suffice as far as congratulations are concerned because, in my opinion, praise like precious stones is valuable when scarce.

I take the opportunity offered by eight paragraphs of the speech from the throne to discuss the question of external affairs during the present debate. Canada's position among the other nations, the work of her delegates at the united nations organization and her attitude in dealing with the important problems which are constantly increasing in number, especially in Europe, are all matters whose importance should not escape the notice of Canadians.

The time limit imposed upon me by the rules of the house will barely permit me to touch lightly on the important matter of treaties which have or will be signed; it is fortunate that it be so, because my knowledge of those extremely difficult matters does not enable me to expand on them.

I have no intention of creating any discord, but I cannot refrain from deploring the attitude of those nations which have taken the name of "The Big Four", towards the other nations they condescend to call the smaller nations.

These smaller nations include Belgium, whose people in both world wars were downtrodden and massacred; Australia whose brave soldiers were fighting in Europe and in Africa before and while their own country was being bombed and invaded; Canada, which, in addition to the large establishments of her three services, kept abreast of the industrial production of the Big Four and fed millions of needy persons. In August, 1946, Canada had contributed 325 million dollars to the world's bank; France, with a population of 39 million, contributed 450 million dollars; the United Kingdom, one billion 300 million dollars, and the United States 2 billion 175 million dollars. Russia, the most outspoken of the Big Four, had not made any contribution. In addition, our country was one of the first to subscribe to UNRRA. Is not the term "smaller" nation ridiculous to every Canadian?

In my opinion the first mistake committed following the end of the second world war was the exclusion of smaller nations from the peace conference and from the signing of peace treaties. All the members of the house and the whole country have supported the protests voiced by the Canadian government.

Were we not entitled to more consideration from the United States, France and England after our tremendous contribution to the war which has just ended? Are we to understand that we are farther removed from Europe when it comes to sharing parleys for the restoration of world order, than we are when European countries need our money, our industrial products and our help? The great nations of Europe could well have heeded the advice of our statesmen. During and just after the last war, when this country contributed so generously to the relief of the afflicted and the displaced, those great countries could have been taught that charity begins at home. These would have been counsels of frankness, first, and of disinterestedness.

In paragraph 9 of the Canadian government's statement concerning the peace settlement with Germany, as read in the house on January 30, 1947, we read the following:

> The political and psychological defects of the treaty procedure adopted at Versailles in 1919 have long been recognized.

I would add that the procedure adopted for the signing of a treaty with Germany was not better in the case of the other countries. Jouvenel, in his book entitled "From One War to the Next", very aptly describes the atmosphere of the times. In those days the big four were Wilson, Clemenceau, Lloyd George and Orlando. Today Molotov has replaced Orlando. The cake has been cut and the pieces are being handed out according to the will of this council of world ministers. I would say that the situation is even worse for, instead of a representative of a Latin country (strange is it not that a Latin nation should always get the worst of the bargain), we have the representative of a brand of imperialism which no longer has any regard for others, whose arrogance is boundless and whose lack of frankness is glaring. I am not indulging in any vagary when I talk of Russia and the soviet; I am stating facts and actions that belong to the present and not to the past.

In 1918 Foch had requested that the natural barrier between Germany and France, represented by the Rhine river, be closed. He repeated his request on January 10, 1919, before the opening of the peace conference. His argument, although very simple, was most logical. On the east short of the Rhine, he said, from 64 to 75 million Germans, united by common language, culture and philosophy, may congregate at a moment's notice; while on the western shore, 49 million people only are in a position to oppose them. Heroic Belgium is as much interested in these demands as France herself. What will the Big Four do when France insists on this

natural frontier—if its present leaders are as far-sighter as Foch was—when, besides requesting the establishment of this natural frontier, she asks for the Saar? At this moment, she has long been denied this privilege of an essential nature. In an editorial I read yesterday, signed by Edouard Herriot and published in the *Standard*, it is stated that none of the big four has yet taken a definite stand on the matter. According to Herriot, however, it seems that Great Britain is ready to allot the Saar to France. Belgium, being among the small nations, could undoubtedly not speak with enough authority to be heard that far. In the so-called small countries, are not great men as numerous, if not more so, than elsewhere? Would the friendship of the United States have been secured without the pre-eminent part played by the Prime Minister of Canada?

In section 15 of the Canadian propositions Foch's ideas are apparent, as far as the German ethnical group is concerned. The following excerpt is even more significant:

> The German people have clearly indicated that their experience in the line of autonomous democratic government is not yet sufficient to prevent a centralized state from becoming an instrument of despotism and armed aggression.

May I add that, owing to their peculiar philosophy, based on race superiority, a theory which was imported and implanted by a renegade named Stuart Chamberlain, the Germans will not readily give up their desires, because they are eternal: philosophical ideas do not die; if, at times they seem to disappear, it is only to better readapt themselves. Nazism and fascism are not dead; we have read in the papers about plots discovered very recently in occupied Germany and Austria. And the Italian fascist party comprises already over 300,000 members. The government adds, in the middle of that same paragraph:

> For this reason, the German state should be federal in character and not unitarian. The decentralization of Germany by federalism may become effective and acceptable especially if realized on an economic, as well as on a political basis.

How can the opponents of the Minister of External Affairs (Mr. St. Laurent) accuse him of being a centralist?

But will the "Big" nations be loathe to consider this suggestion of a small country in which is found, after all, so much foresight, an indication of a profound sense of Europe's economic and political history?

Mr. Speaker, treaties have something else besides defects; some qualities at times become apparent and they can be made to benefit mankind on the distinct condition that they be not neutralized by the egotism of the great powers, by financial intrigues or by any sectarian hatred. The nations which signed the treaty of Versailles may have been well-intentioned, and other results might have been obtained had not economic interests operated at once against the reasonable claims of some nations. Between the two Great Wars, eighteen conflicts have occurred in the world; they were more or less important, and represented, as it were, fixation abscesses for the draining of the war machine. It is true that treaties have not yet been signed, but fighting is still going on in China, in Indonesia and even in Greece.

As in 1919, there is some talk about reparations. Who shall pay and who shall receive? In 1871, France paid $5,000,000,000 to Germany. In 1919, how much did Germany pay to France and why did she not pay? History clearly shows that the vanquished Germans achieved a victory in the economic field over all their erstwhile enemies, who, at that time, for some reason or other, either concluded that Germany was on the brink of bankruptcy or did not wish to strengthen France too rapidly. We would be blind if we did not perceive the fact that at least three imperialisms are facing each other today. I forgot to say, Mr. Speaker, that in 1919 Soviet imperialism was marking time, because the Soviet revolution had not yet been liquidated; White Russia remained a stumbling block until the day when Stalin, who lacked military experience, but had a keen mind, was made head of the Soviet armies, with the result we know. I do not mention French imperialism, which is merely attempting a revival. British imperialism is now undergoing serious difficulties as we were reminded the other night by the hon. member for Vancouver South (Mr. Green) when he mentioned that Great Britain was calling for the help of the United States in Greece. Should this continue, the Socialists will have as a wonderful achievement the liquidation of the Empire.

I believe that the British people would have been well advised to leave Mr. Churchill and Mr. Eden at the head of their government. The United States and Canada have shown better judgment in keeping in power their present leaders. The British Socialist government received a warning from Mr. Churchill at the time it withdrew its forces from Egypt. The British statesman could already then visualize the Soviet's intentions of encroaching upon the Straits and the Middle East.

During the war, American imperialism has progressed by leaps and bounds but in the

future it will have to muster all its resources in order to survive against the hard-pressing imperialism of the Soviets. I say, Mr. Speaker, that if they are to have an intelligent and consistent policy, all imperialistic countries that have accepted commitments during the war will have to rely on the protection of their armed forces. I am not a supporter of imperialism but since the world, nowadays, must admit its existence, I feel that democratic imperialism must be strong enough to resist the other kind, which aims at destroying the present regime. The most dangerous brand of imperialism is that which is combined, at the economic level, with ideological imperialism.

At the root of world wars, there is a cause, a special one which everyone knows: petroleum. During the last war and ever since it has ended, the big powers have had this matter in mind. I quote the findings of a report tabled in the United States Senate by a special committee which investigated the petroleum resources of the world. The United States have a production capacity of 37 billion barrels; British and Dutch interests, 17 billion barrels; Soviet interests, almost 6 billion barrels; other nations, small and middlesized, 7·8 billions. Obviously, three of the Big Four control the output of petroleum. If a small nation discovers petroleum underground, the big powers immediately seize this mineral product not directly, by government intervention, but through their financiers who hasten to take over those resources. Even with Roumanian wells under her control, Soviet Russia does not yet equal the production of her two rivals, but she brings great care to the expansion of her possessions. The mineral oil found in the Middle East is a cause of turmoil among the big powers and might bring about war in that area, located partly in Africa and partly in Asia. More than half the petrroleum reserves of the world lie in this distant land which also includes southeastern Russia.

Last year's output in the Middle East reached 365 million barrels. British interests come first, then American and finally French and Dutch. According to newspaper reports, France is claiming new concessions in Irak. Russia, though last to arrive on the scene, has already acquired concessions in northern Iran, thus increasing the considerable output she derives from the Baku fields, which represent 90 per cent of the Soviet Union's petroleum producing resources.

While the great powers are struggling for the possession of the world's petroleum supplies and the establishment of their trade, they will have to settle the fate of Germany and Austria, a country surrounded by Soviet satellites: Czechoslovakia, Hungary, Yugoslavia. As everywhere else, the Soviets organize before departing. The Allies seem to have secured free navigation on the Danube, a river crossing those countries and the northeastern part of Austria. Under pretext of reparations payments, machines and raw materials have been taken away and have immediately found their way to Russia. The Potsdam agreements do not list the various German and Austrian firms, although they provide that German property will be divided among the occupying powers. For the Soviets, the Austrian properties operated by Germans during occupation are German and must therefore be removed. The Austrian legislature passed an act to nationalize industries previously seized by the nazis, but the Soviet occupation authorities rendered it inoperative. According to President Karl Remner, economic life in Austria cannot be restored without the petroleum and the mechanized industries of eastern Austria. Furthermore, agricultural production has been reduced by half, in this country, by the nazis, in favour of war industries. Then Yugoslavia demands reparations to the tune of 11 billions from Germany and Austria. This will be an interesting problem to solve if Soviet imperialism forces England and the United States to yield. Perhaps, the Big Four may be in need of advice from the smaller nations in matters of this sort.

Let us revert to imperialism. Reparations from the satellites of the axis have been assessed at one billion dollars; the Soviets alone will be getting $100,000,000, over a seven year period from Italy; $300,000,000 in eight years from Roumania; $200,000,000 in eight years from Hungary; $300,000,000 from Finland. Out of a billion dollars, $100,000,000 are left for the others. As our old classics said: *Partibus factis sic locutus est leo.*

What are these requests and these demands based on?

Let us cast a glance on the armies of occupation in Europe. The Soviet minister of Foreign Affairs claims that England, France and the United States still have too many soldiers under arms. Here is a table showing the size of the armies of occupation as of October, 1946:

Russia	1,820,000	
	750,000	in Germany
	70,000	in Austria
	250,000	in Poland
	750,000	in Hungary

England	455,000	
	350,000	in Germany
	15,000	in Austria
	40,000	in Greece
	50,000	in Italy
The United States	381,020	
	315,000	in Germany
	15,000	in Austria
	50,000	in Italy
	1,020	in Iceland
France	140,000	
	110,000	in Germany
	30,000	in Austria

And the Russian foreign minister, Mr. Molotov, says that the other nations have too many soldiers under arms in occupied countries.

Last year, in the debate on the loan of $1,250,000,000 to Britain, my stand differed from the one I had taken during the war on matters pertaining to billions of dollars. I have not changed my mind as regards the gift, nor about the loans at too low a rate of interest. If I endorsed the last loan, it was because I thought it my duty to support the United Kingdom against an imperialism which is now outstripping it and is becoming a menace for America and the world at large. A man whose opinion is more authoritative than mine, Senator Vandenberg, took the same stand in the United States Senate, during the debate on the American loan of four billion dollars to England. At that time, my apprehension was justified; today, my argument is still stronger.

Let us consider the rise of communism in France since 1922. That year, there were 100,000 communists in that country; in 1936, when the party was dissolved, their number had increased to 1,500,000. In 1945, the number stood at 4,886,000. We must, of course, bear in mind the fact that women now vote, which accounts for a quite considerable increase in the number of communists. At the beginning of 1946, they totalled 5,302,046 and in November of the same year, 5,475,965. That is a geometrical progression. However, France is in Europe; some people may say that it is far away, but France is comparatively near Russia.

Let us come back to our hemisphere in order to consider what is happening in Cuba, a very small country. In 1938, 40,000 communists were to be found there; in 1940, 60,000; in 1946, 150,000, so that within six years communist sympathizers increased by 90,000. As I was saying, that is the situation in a very small country.

I said at the outset that Germany's cravings were eternal; let us make no mistake about it, similar hopes are cherished elsewhere. Czarist ambition had spread Russian power, in 1914, up to a line running from Kolberg, in Pomerania, to Fiume, in Austria-Hungary, city made famous by d'Annunzio. Czarist ambition included European Turkey and the Asiatic shore of the Dardanelles; thus, Russia opened onto the Black sea, which it dominated as well as the Baltic, and reached the Mediterranean. The area included Russia proper, Poland, Finland, the Baltic states and Bessarabia; the Czarist sphere of influence thus spread to Poland, Czechoslovakia, Hungary, Roumania, Yugoslavia, Bulgaria and Albania.

In 1939, Stalin began, where the czars had left off, the expansion of Russia through the partition of Poland and the acquisition of the Baltic states at Yalta and Potsdam. The western advance was pushed to the Elba, in the north, and as far as Trieste in the south. Incidentally, I cannot help criticizing the action of Mr. Bidault who internationalized that city instead of leaving it to the Italians. My belief is that Trieste will become a second Danzig, a new Polish corridor. Perhaps Mr. Bidault was influenced by the Communist rise in France. One more Latin nation is left in the lurch, or, rather, is sacrificed. Trieste is in the main Italian; barely one third of its population is of Yugoslav extraction. Instead of satellite kingdoms, satellite republics have been set up in central and eastern Europe. The czars would have been content with stationing troops in Pomerania. The Russian army now occupies all of eastern Germany. How will it be evicted? Northern Bukowina and eastern Galicia are integral parts of Russia which now controls more than the Czars ever did. In one important respect, the Soviets have, until now, fallen short of the Czarist plan.

Turkey still has her European territory, even larger than at the time of the czars, the Bosphorus and Dardanelles. However, you have no doubt noticed that Russian ministers do not fail to mention the word "justice" every time they speak of the Bosphorus and Dardanelles, since they want an interest in the East. The Soviet are still claiming a part in the control of those straits. When they succeed they will have attained the aim set by the czars. But the Soviets have spheres of influence which place them in a better position than the czars. Their sphere of influence comprises Poland, which has her own government, acting only in conformity with Soviet Russia's policies, Czechoslovakia, Hungary, Roumania, Yugoslavia, Bulgaria and Albania.

In Asia, the Soviet sphere of influence is strongly felt in Manchuria, Korea, China, Outer Mongolia, Azerbaijan and Transjordania. They have taken from Japan the peninsula of Karafuto, and the island of Sakhalin, which possess enormous reserves in lumber and petroleum.

Around Greece, we have the following satellites of Soviet Russia: Albania, Yugoslavia and Bulgaria. We must not forget the port of Dairen, in Manchuria, which Russia took over in order to protect Soviet interests in Northern China.

Are we not justified in having fears for the future of democracy, even if Tim Buck did not exist? I will go further: I am not convinced that we should share the secret of the atomic bomb. The Baruch plan proposes the inspection of uranium deposits; the Soviets have refused to submit to such inspection. According to *La Presse* of March 6, Mr. Gromyko has expressed, in the security council, Russia's refusal to abandon her veto right even in regard to the control of armaments. This is very significant. Russia refuses to submit her armaments to the inspection of the united nations representatives. Mr. Andrei Gromyko, Russia's delegate, has informed the council as follows:

(1) Russia will not allow the inspectors of the international control body to roam freely throughout her territory;

This is nothing new; such has been the case since 1917.

(2) Russia will not allow an international control body to control her atomic research work;

She has also a source of uranium.

(3) Russia will not renounce her veto right in matters pertaining to atomic energy.

(4) "It will be difficult, if not impossible" for Russia to accept the international control of atomic energy, irrespective of the form which it might take, unless the United States agree to destroy existing atomic bombs.

It is likely that that last paragraph led Walter Lippman to believe that Russia might know the secret of the atomic bomb. I do not hold that view.

Let us see where the quest for uranium is taking place.

While ten nations have endorsed the United Nations' plan for the control of atomic energy, it has been rejected by Russia and Poland. Why? Most undoubtedly because it provides for the inspection by the United Nations of territories behind the iron curtain. A great Canadian soldier, General McNaughton, who, as everyone knows, is not given to inconsiderate statements, has advised Canada and the United States to keep up their production. Czechoslovakia is actively prospecting for uranium. In Saxony, Russian geologists have come across uranium deposits in a discarded lead mine, formerly owned by the Germans. Uranium is to be found in the Urals. India has chlorium, used with uranium. There are uranium deposits in Mexico, Canada and the United States. Argentine has placed an embargo on her uranium. The United States have already invested two billions in the plant that turned out the famous bomb. Russia's stockpile of uranium has increased threefold and Great Britain is spending 200 millions on research.

As a handsome gesture, Russia has put forth the honour system, assuring that every nation would keep its pledge not to use atomic energy in war time. But the Briand-Kellogg pact was based on honour, and we have had war just the same.

In closing, Mr. Speaker, I wish my few remarks,—even though they be but the utterances of a modest member in the parliament of a small nation,—were heard by all the democratic governments of the world. When I say democratic governments, I refer to the true democracies. I said a while ago, that philosophies live forever. If the Big Four are interested in the economic factors, the psychologic and philosophic elements should arrest their attention to an even greater extent. For a certain brand of imperialism, economic warfare is a corollary to ideologic warfare. A country, Turkey has dared to banish the communist party. This gesture has had and will have in the future happy or unhappy consequences according as it will or will not be seconded or copied by the democracies. My opposition to communism does not spring from mere curiosity to follow its developments or to draw attention to my poor person. It springs from the democratic principles in which I have faith and which I would like to see upheld in the world, through far-sightedness, courage, strength and frankness in the various leaders.

I once more take the opportunity of congratulating our government for the practical propositions they put forward in connection with the preparation of peace treaties with Germany and Austria and I thank them on behalf of my constituents, for the wholly Canadian stand taken by the Minister of External Affairs (Mr. St. Laurent) in our relations with the whole universe.

(Text):

Mr. GEORGE BLACK (Yukon): Mr. Speaker, this is a time-honoured debate on the address to be presented in reply to the speech from the throne and the amendments that have been moved to that address. The speech

from the throne is, in fact, a government statement placed in the hands of the governor general to be read to parliament by His Excellency. The present speech refers to some legislation to be introduced at this session, including old age pensions and readjustment of representation in the House of Commons. As to both these measures, I have something to say, but first I should like to tell the house something of my own constituency, as other members in this debate have told the house of theirs.

The people of Yukon depend entirely on the success of mining for their livelihood. Everything centres on mining. People engaged in merchandising, agriculture, railroading, steamboating, trucking, all manner of transportation; professional people such as lawyers, doctors, nurses, dentists, clergymen; printing houses, aviation, hotels, restaurants, entertainment, government liqour stores, civil servants, could not carry on and could not make that country their home if it were not for the mines producing gold, silver, lead and zinc.

Gold in great quantity was first discovered in Yukon on August 17, 1896, over half a century ago and Yukon's mines are still producing millions.

When the news of that great gold find became known, there was a world stampede to Klondike. People went there from all the countries of the globe, from every province in the dominion and from every state in the union. English, Scotch, Irish, French, Italians, Spaniards, Germans, Australians, New Zealanders, Scandinavians, Japanese, Chinese, Koreans and even East Indians came. Thousands made fortunes, brought them out and, for the most part, settled in Canada and the United States. Others failed and came away empty-handed. Many remained to make their homes in that grand north country. It is no overstatement, Mr. Speaker, to say that over $300 million worth of gold has been mined from Yukon, and there are millions now coming out, with more yet to come.

While it is correct to say that in the early days generous grants of money were made by the federal government to Yukon Territory, it is nonetheless a regrettable fact that a large percentage of those amounts was wasted and spent without any beneficial result to the country. Impossibilities were attempted with regard to regulating navigable waters. Roads were built where they could not be used and they had to be abandoned. Eventually capital acquired most of the mines, developed hydro electric power, operating fleets of giant gold dredges and by hydraulic monitors swept down hills rich with gold. That was all placer gold torn from the rocks of the mountains by some upheaval of nature and strewn across the country in nuggets and gold dust, as were strewn the rocks in boulders, gravel and sand.

Recently gold in place in veins has been discovered in Yukon, deposits startling in value. Development is well under way and soon these mines will be producing and adding to the wealth of Canada.

About fifty million dollars' worth of silver and lead had been mined in Yukon when, owing to the low price of those metals, silver mining for a time came to a standstill. Now with better prices, within the past year new Canadian companies have acquired large holdings and are producing ore for shipment. Within a very short time the output should treble what it formerly was.

The dominion government has had a substantial revenue from the gold and silver mines in Yukon. At first a royalty of ten per cent on gross output of gold was collected, then five per cent, now two and a half per cent. Silver and lead mines pay a graduated tax on profit.

No manufacturing is done in Yukon. Everything used is imported—food, clothing, machinery, hardware, most lumber, all coal, gasoline and liquor. On all those commodities the federal government gets a revenue in customs, excise, sales tax, transportation tax, land tax, recording fees and luxury tax. With regard to the luxury tax, the same luxury tax is imposed on a pack strap as on a bit of jewellery. Far from being a luxury, a pack strap is of necessity an instrument of torture, as anyone who has had to use one will agree.

Yukon's greatest need today is for roads from the mines to railhead, roads for development. Without roads there can be no advance. In some districts in Yukon development is at a standstill for lack of roads. Yukon did have an all-weather road from Dawson, the centre of gold mining, to railhead at Whitehorse, built with money provided by the federal government for that purpose. It was built many years ago. It was first traversed by horse-drawn coaches and sleighs, hauling freight and passengers. Then it was put in shape for motor traffic and was used by motor vehicles, tractors, trucks and automobiles. But for some unaccountable reason the federal government, by its commissioners and controllers, so wilfully neglected that road that it cannot now be used, whereas a relatively small annual expenditure would have kept it in condition and so improved it as to make it a first class unpaved road.

Owing to that policy or shameful lack of policy and common sense, Dawson, which is

probably the oldest producing placer gold camp in the world, and Mayo, the silver camp, both of which have given and are giving the government substantial revenues, and will continue to do so, are as to transportation in winter, entirely isolated and cut off from the world except for a plane service which can operate only when visibility permits, and which charges freight and express rates that are practically prohibitive.

Let me cite just a few items showing the costs of household commodities which put the cost of living in Yukon sky-high, caused largely by the high cost of transportation on account of the government's neglect of that road to railhead, to which I have just referred. At Dawson gasoline now costs $1.50 a gallon; coal oil, over $1 a gallon; wood fuel—a soft poor quality of spruce—$22 per cord; electricity, twenty-five cents per kilowatt hour, plus government tax. Other necessities of life are proportionately expensive.

The Alaska highway, built through Yukon by the United States, has opened up formerly inaccessible areas. Already deposits of lode and placer gold have been discovered adjacent to it. A steady stream of traffic north and south goes over that road, winter and summer. Unfortunately, it goes nowhere near the old town of Dawson; it is hundreds of miles from that town. But it has certainly put the Yukon town of Whitehorse on the map. It is being kept in good condition by maintenance crews under the management of Canadian army engineers commanded by Brigadier Walsh. But at that, they are under a great handicap in having to use secondhand and worn-out machinery purchased by this government of Canada from the United States; for when the American army moved out and turned control of that highway over to Canada they left very little equipment that was worth having. Stopping-places and filling stations have been built along the road and tourists camps are being built.

I now come to the reference in the speech from the throne to readjustment of representation in the House of Commons. The bill, if enacted, adds the district of Mackenzie in the northwest territories to Yukon as an electoral district, an impossible proposal. It is so impossible and impracticable that one wonders if those sponsoring the bill are really in earnest. If they are, it shows them to be totally lacking in knowledge of conditions in those areas or willing to discard all proprieties.

It may interest the house to know how those affected territories, Yukon and the northwest territories, are now governed. In Yukon they have an elected council with approximately the same powers as the legislature of a province. They can legislate as to property and civil rights; they can vote or they can withhold supply. But the government of the territory is carried on and administered by an appointee of the federal government, who is appointed here in Ottawa.

The council of the northwest territories is not elected. It is composed of an aggregation of civil servants, government employees who are here in Ottawa, thousands of miles away from the people for whom they are legislating. Like Yukon, the northwest territories are governed by an official appointed by the federal government.

In neither instance is the government of those territories responsible to the electors, as is the government of Canada, and as are the legislature in the provinces. The estimates for the coming year show a vote of $155,000 for Yukon which, broken down, is shown to be practically all for salaries and remuneration payable to federal employees. There is not a dollar for the development of the resources of that country, not a dollar for transportation. Yet, handicapped as Yukon is by lack of roads, there are those who would add to the political area of Yukon over 500,000 square miles of wilderness.

Let us see how that wilderness, the district of Mackenzie, fares with its government sitting here in Ottawa. I do not begrudge them what they get; I am glad to see them get it. But surely Yukon ought to have equally fair treatment. The government of the Northwest Territories is to get $3,306,000, of which $1,130,000 is for roads. They are to have a water and sewage system installed at Yellowknife townsite at a cost of $745,000. Whoever heard of a municipal project of that kind being paid for by a federal government? Towns in Yukon have to instal their own water and sewage systems, and the people who use them have to pay for them. But here the federal government makes the town of Yellowknife a present of what is properly a municipal project.

Referring to redistribution, I would predict that before the measure becomes law—

The ACTING SPEAKER (Mr. Golding): Order. I would remind the hon. member that that is a matter which is now before a special committee.

Mr. BLACK (Yukon): And with all respect I should like to remind the Acting Speaker that this is a matter referred to in the speech from the throne, where it states:

> You will be invited to consider a measure to provide for the readjustment of representation in the House of Commons.

It is usual to have termination of the debate on the speech from the throne before matters are referred to committees, so that hon. members may not be handicapped in what they have to say. But at this session we have had the extraordinary procedure of referring the matter to a committee before conclusion of the debate on the address in reply. I do not think hon. members should be handicapped because of that unusual procedure. I hope I shall not traverse too far against Your Honour's ruling.

I predict that before the legislation becomes law, in its present atrocious form—and it is in an atrocious form—the people in the Mackenzie district themselves will protest, and will not submit to being so ruthlessly pushed around. I believe they would prefer to remain unrepresented in parliament rather than have to accept representation on the fantastically ridiculous terms proposed. There has scarcely yet been time to hear from them, but I predict we shall.

With its council of lobbyists, civil servants living here in Ottawa engaged in lobbying the government, whose employees they are, the Mackenzie district has not fared so badly. They induce the government to play Santa Claus to the people under their remote control —very remote control, thousands of miles away. Those people are being well cared for. As I said before, I do not begrudge them what they get; on the contrary I am glad they are getting it.

There is another matter to which I would direct the attention of the house, and I do so in view of the statement made in the speech from the throne:

> Progress is being made in overcoming the shortages in building supplies, thereby accelerating the provision of additional housing. Despite all obstacles, the number of housing units completed in 1946 approximated the objective set by the government.

The matter I should like to bring to the attention of the house, the government, the minister and his department is the neglect of veterans who returned to their homes in Yukon after the war which ended two years ago. The terms of the Veterans Land Act apply to Yukon just as they do to the rest of Canada. However, in their wisdom the minister and his staff have not seen fit to apply it to veterans of Yukon. Thus far no veteran has been able, under the act, to purchase land in that territory. Under the various housing measures not one veteran's house has been built in Yukon.

When the Veterans Land Act was before the house at the last session neglect of veterans of Yukon was discussed. Let me quote briefly what was then said by the minister and by myself, and the undertaking which he gave at that time. A question of doubt was expressed as to whether the act applied to Yukon. I read then, and I repeat at this time the wording of section 7 of that act, which states:

> The director may for the purpose of this act
> (a) purchase by agreement, at prices which to him shall seem reasonable, or
> (b) in any other manner acquire by consent or agreement from His Majesty in the right of Canada or from any province or municipal authority, or from any person, firm or corporation such lands and buildings situate in any part of Canada and such other property including building materials.—

and so on.

I am sure the house, and the minister administering the act, must know that Yukon is part of Canada. By its wording the act applies explicitly to all parts of Canada.

To remove any doubt in the matter, on August 1, 1946, I moved an amendment by which I would have added a paragraph to the then section 35. The minister then asked me to refrain from pressing my amendment, and said:

> I wonder if the hon. member, after having presented his case clearly and convincingly, would be good enough not to press the amendment, with my assurance that I shall be glad to consult with my colleagues at to what can be done to meet the suggestion he has made.

To this I replied:

> Under the circumstances I hesitate to press the amendment. To my mind, section 7 is broad enough, in that it gives the director the right to purchase land from any person, firm or corporation—and not only the land, but the land and building situate in any part of Canada.

Then said the minister:

> I have not had an opportunity of consulting with my colleagues in regard to the matter. I would urge that the amendment be not now pressed, and I give the assurance that it will be carefully considered.

Accordingly the amendment was not pressed. But I should like to know now what has become of the careful consideration that was to be given to the matter during the recess, a recess which lasted from August to January 30 this year. The minister has had five months for consideration, five months during which, so far as I am aware, no action has been taken to better conditions of veterans in Yukon, notwithstanding the minister's undertaking given to the house.

Lest the minister is under any misapprehension to the effect that land in Yukon is not available for veterans, I can assure him that investigation would disclose that ample land is available for home sites for veterans. There is no shortage of lumber there, and in Dawson there are a number of large, well built and well preserved vacant government

buildings which could be dismantled so that the lumber and fittings would be available for building purposes. The speech from the throne stated that the shortage of building material was being overcome. In this way the veterans in Yukon could be housed. I would regret to have to conclude that the reason why nothing has been done for the veterans in Yukon is the lack of interest on the part of the minister, notwithstanding his promised consideration.

I had intended to say something on old age pensions, but there will be ample opportunity when the promised legislation on old age pensions is introduced into the house. Therefore I will defer my remarks until that time.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, the speech from the throne contains the promise of legislation which is so long overdue that in my view it should have been presented to the house not later than the day after the speech was read to us in the other place by His Excellency the Governor General. I refer to the matter to which the hon. member who has just taken his seat made reference in his closing remarks —old age pensions. I rise at this time to point out that, instead of the immediate attention it should have been made possible for this house to give to this matter, we have been advised that there will be a delay. Our experience with the capacity of the present government for delaying matters is a sad one and I am afraid that this delay may run into many months. I rise now to protest most strongly and to condemn the government for its delay and to express the hope that it may not last much longer.

The fact is that one can hardly find words adequately to criticize the present government's old age pension policy. To ask our deserving older Canadians, first of all to wait until they are seventy years of age and then if they live that long, to try to exist on a maximum of $25 a month, is shamefully inhuman and utterly callous. When we consider that, in addition to these inadequacies, there is in the Old Age Pensions Act, despite all the protests that have been made against it, a vicious means test; when we realize also that this government has made no provision for medical and hospital care and other things that our older people need, it all adds up to a sorry story of inhumanity and neglect.

To make matters worse, when we reach the point where it becomes necessary for the government to do something we are treated to still further delays. When I refer to reaching a point when something has to be done I have in mind the expiry of the National Emergency Transitional Powers Act which led some of us to hope that this matter would be dealt with before March 31. Instead of that, when I questioned the Prime Minister (Mr. Mackenzie King) about the matter on February 4, as recorded on page 83 of *Hansard,* he indicated that it was the intention of the government to ask for an extension of the present $25 a month beyond March 31, leaving until a later date the amendments to the act which were forecast in the speech from the throne and which we were told would include all that we now have and something more. But when that will be done we do not know.

A few days later, on February 10, the Minister of Justice (Mr. Ilsley) confirmed this policy of delay by indicating, as reported on page 258 of *Hansard,* that the omnibus bill which he is to introduce will make provision for the continuance of the present $25 basis beyond March 31. In explaining the reason for this delay he said that he felt it was impossible to expect the Old Age Pensions Act to be amended before March 31, and he gave as the reason this could not be done the excuse we have heard in this house time and time again, namely, that the matter is the subject of discussion with the provinces.

We contend that this matter has not crept up upon the government unawares; it is indeed of their own creation. Furthermore, I would point out that on June 24 of last year the then Minister of National Health and Welfare (Mr. Claxton) gave the house a clear-cut promise that the Old Age Pensions Act would be amended in that year, no matter how long the session lasted. A few weeks later, on July 5, the Prime Minister gave an indication of the business to be dealt with, and when I noticed that there was no reference to the Old Age Pensions Act I asked if the promise made by the then Minister of National Health and Welfare would be fulfilled. The Prime Minister replied that he would have to take a look at the promise. A week later, on July 12, as recorded on page 3394 of *Hansard,* he told us that the government had changed its mind in this matter and had decided to let the old age pensions situation be covered by the National Emergency Transitional Powers Act, leaving until this session the amendment of the Old Age Pensions Act itself. The excuse was that other business was more pressing.

In September, 1945, during the first session after the last election, I had something to say about this matter. It was shortly after the dominion-provincial conference in August when the government had made it clear to all the country that it was not satisfied with

the present old age pension set-up by proposing an increase to $30 a month payable to all over seventy years of age without a means test. I drew attention to the fact that the figures given for that old age pension plan were all based on the year 1948, and I asked a question which apparently was a bit annoying to the government, whether that meant that 1948 was to be the year of the next election. The then Minister of National Health and Welfare asked for the privilege of interrupting me to answer that question immediately, and he gave as his answer the contention that when the figures were worked out it was thought that 1948 would be the first full year after the war. When I countered by asking him when he thought the increased old age pensions would come into effect his reply was the same old story; he said the new rates would come into effect when there was agreement among the provinces and the dominion.

So we have had this story of delay, this waiting for the provinces right across the years. In the meantime the old people of this country have suffered beyond measure because of the small pittance upon which they have been asked to exist. I am sure hon. members will know from their own experience, as I do, of old people who have passed on sooner than they otherwise might have, simply because they could not keep alive on the amount provided by the government. I suggest that even in the comfort of this chamber we should try to face the meaning of these things in the lives of the human beings who are the victims of the government's constant delay. A terrible responsibility rests upon the shoulders of a government that still continues to give such a small pittance to our old people. Their very lives are in its hands. The time has gone for this continual delay and this continual passing of the buck to the provinces; the time has come when we should deal with the matter right here in this house.

We in this group have been making specific suggestions to the government. Since making those proposals we have received comments on them from one end of the country to the other. Our proposal is that the pension should be raised immediately to not less than $50 a month and be payable at the age of 65. We also insist that the means test be abolished; let there be no doubt about that. We urge also that there be added to the pension where necessary a cost of living supplement which would fluctuate with changes in the cost of living, and also an invalidity supplement. We suggest as well that there should be provided medical, dental, optical, and hospital care for our old people, and further, that the time has come when this kind of provision should be paid for entirely by the federal government.

Not only have we been getting support on our stand from all over the country, but I was most interested a few weeks ago in the remarks made by a distinguished Canadian when he said that he did not know what attitude the Conservative party would take on this question but that it had been drawn to his attention that the C.C.F. suggested raising the ante to $50 a month and having the pension payable at the age of sixty-five. This distinguished gentleman, after discussing in the course of his speech the estimated cost of various pension plans, went on to say that a large amount of money would be required to pay old age pensions; but "I, for one," said he, "would hate to think that when I reach the age of sixty-five I should have anything less than $50 a month to live on." He went on to say that he liked much better the sound of ten times that amount and he called upon his colleagues—he was speaking in the so-called other place—to face seriously up to this question of old age pensions, which he insisted could not be brushed aside. These remarks, Mr. Speaker, were not made out on the hustings, nor were they made by someone concerned about getting votes at the next election. They were made by the government leader in the senate. And so, Mr. Speaker, with support like that from the Hon. Wishart Robertson, as well as the kind of support indicated from all over the country, making it very clear that the people of Canada really want to do the right thing by our old people, I rise today to urge the government to put an end to this policy of delay and bring this matter before the house at an early day. There is no need at all to insist on covering the old age pension question in the omnibus bill. All that would mean is that the $25 a month could stay in effect for another year. I call upon the government to bring in its amendment to the Old Age Pensions Act on Wednesday or Thursday of this week just as soon as this debate is ended and let the house have a chance to express its views on the matter, when I am satisfied that members from all parts of Canada, knowing as they do the views of their constituents back home, will support the government in any move it makes, provided that it has in it some touch of generosity, so long overdue.

It is usually the practice of the government, in rising to reply to an appeal such as this, to make a boastful speech about what it has done for our old people and with regard to social security generally. During the last few

days I have been making a study of old age pension plans and related social security measures in a number of other countries just to see where Canada fits in. The countries whose plans I have studied are nine in number: the United States, the United Kingdom, New Zealand, Australia, France, Czechoslovakia, Sweden, Denmark, and the Soviet Union, and I wish to draw the attention of the government and the house to Canada's position in relation to these other nine countries with respect to various aspects of old age pension plans.

First, let us consider the age. I find that one of these nine countries, Sweden, does not pay its old age pension until the age of sixty-seven, but even that is three years younger than the age at which we pay it in Canada. All the others of these nine countries I have named pay the old age pension at the age of sixty-five or sixty, and in some cases even younger. Only Canada still insists upon her old people waiting until they are three score and ten.

I turn now to the means test. I find that New Zealand has two plans. One is an old age benefit which is subject to a means test, and the other is a universal superannuation, which, has no means test whatsoever. In the United States they have also two plans. As a matter of fact there are more than that, because the plans vary from state to state, but in the main the provision made by the federal government in the United States consists of two plans. There is old age assistance, something like the plan in New Zealand, which is contingent upon a means test, but there is also old age and survivor's insurance without a means test. The United Kingdom, France, Czechoslovakia, Denmark, Sweden, and the Soviet Union, have no means test whatsoever. Only Canada, of all these countries, maintains the vicious kind of humiliating means test that we inflict upon our old people.

I hold in my hand a copy of the form that is sent out to old age pensioners in my province once a year, asking for detailed information of all kinds in reply to twenty-three questions that appear on this form, apart from all the sub-questions. The new income tax form is child's play compared with this document. At the top in red ink appears this statement: "Every question on this form must be answered. Leave no blanks. When completed and verified by statutory declaration mail to—" and the mailing address is given. Underneath that address there is this statement, in red ink and underlined: "Your pension will be suspended if this form is not returned properly completed."

[Mr. Knowles.]

Mr. McCANN: Who asks for that information?

Mr. KNOWLES: The Manitoba old age and blind persons' pensions board, under the means test provisions laid down in the federal act. The minister must not try to imply that this government is not responsible for it, for the responsibility for the means test lies right here in Ottawa. The way to get rid of this kind of thing is for this government to abolish the means test entirely right across Canada.

Furthermore, as I have looked over the pension plans of these other countries I have named I find that there are invalidity supplements, or sickness benefits, or both, provided in all nine countries—all but ours. Only Canada restricts its aged people to the so-called pension, and nothing else. In four countries, New Zealand, France, Sweden, and Denmark, cost of living supplements are provided. And so, Mr. Speaker, the things that we of the C.C.F. are advocating are not new. As a matter of fact I find, for example, that invalidity benefits were provided by as backward a country as Germany even before we had the old age pension, which suggests that there is no room for boastfulness on the part of this government. There are also personal supplements, supplements for children, for housing, benefits for the blind and for orphans, for widows, for miners, for occupational diseases, and so on. I find that in all these other countries their pension plans are integrated into a total plan of social security, and the effect of it is that it is a pension in the full sense of the word. Only in this country is it still a matter of charity and disgrace.

Mr. JACKMAN: Are these plans contributory?

Mr. KNOWLES: They vary; some of them are; some of them are not. The amounts paid vary considerably as well. There are amounts of money as low as ours but with additional benefits. On the other hand, the average in the state of Washington is $48.11 a month.

Mr. JACKMAN: Contributory to the extent of $48?

Mr. KNOWLES: The sum of $48.11 is the average amount of the pension that the pensioners receive in the state of Washington.

Mr. JACKMAN: Does the hon. member know how much is contributed?

Mr. KNOWLES: If my hon. friend would like the material I have a great deal of it and should be glad to give it to him and let him study it.

Mr. JACKMAN: I am very much interested in the subject.

Mr. KNOWLES: I shall be glad to lend this material to my hon. friend so that he can study it and support our proposal, as I am sure he will.

What does it all add up to? Simply this, are we in Canada not prepared to organize the work and the production which is carried on by the working portion of our population so that we can provide retirement in decency and dignity, for those who have done their day's work? I believe we are.

During the war, more particularly during the last full year of the war, we had three-quarters of a million men and women out of productive employment in this country. They were in the armed forces doing a particular job, but they were not producing goods and services, and yet the rest of the people who were working were able to provide for that three-quarters of a million all their food and clothing, medical, dental and personal supplies, and, in addition, cash in the form of pay and allowances totalling $985,270,670. In the face of that, I suggest that the government should not tell us that the $560 million which it will cost to pay $50 a month at age sixty-five is prohibitive. If we can take that many people out of production and provide them with the necessities of the job that they were doing in time of war, I submit that we can take fewer people out of production—only 190,000 are being paid pensions today, but the number would be greater if we abolished the means test, although considerably smaller than the first number I mentioned—and provide for their needs quite easily. The cost would be considerably less than what we spent to maintain our armed forces. We can do it, and in the name of humanity we must.

I now wish to deal with another subject. Like the previous one, this is a matter on which my voice has been heard in this chamber before, and it will be heard repeatedly until we get somewhere with it. I refer to the gross injustice perpetrated upon the employees of the Canadian Pacific Railway Company who were out on strike in 1919. I have told the story fairly often so that I need only summarize it briefly.

At the time of the 1919 strike the pension plan then in effect was a non-contributory one. Those who oppose me in this matter seem to like to point that out. I have pointed it out since the first time I raised the matter in the house. It was non-contributory, but evidence is conclusive that down through the years the men were told, particularly every time there was any discussion on wages, to remember that when they were working for the Canadian Pacific Railway Company they were working not just for the wages they received but also for the pension they would have at the end of their days of labour. As a result of this, the men were led to believe that they had a definite equity which was being built up through the years. However, when the men went back after the strike in 1919 they discovered that the company took the view that that strike had been a break in service, and therefore unilateral and arbitrary action was taken by the company in saying that the men who were over forty years of age could not enjoy their pension rights at all, and the men who were under forty, though they were permitted to re-enter the company's pension plan, were denied all the rights they had earned up until 1919. At that time about five hundred employees were affected to the extent of 100 per cent. That is, there were about five hundred who were over forty years of age and who therefore lost all their pension rights. There were another 2,200 or so who were under forty. These 2,200 were permitted to enter into the pension plan again, but they lost the rights they had earned prior to 1919.

It was a long story from that time down through the years. I refer to the efforts of the men to have this wrong righted. Finally, in 1937 a new pension plan came into effect on a contributory basis. The clause that had been used against the men in 1919 was kept in the new plan and it is still in effect. I will not discuss that, since it comes up under another matter, namely, Bill No. 24 which I have introduced and which I hope will be passed later in this session. But despite the efforts made by the representatives of the men at the time the new plan was brought into effect, the company still stood adamant in its refusal to reinstate the rights of men who were out in 1919. I first raised the matter in the house in 1944, and have had a good deal to say about it since that time.

In 1945 the government finally met us part way by appointing Mr. H. S. Johnstone of the Department of Labour as an investigator. The purpose of Mr. Johnstone's investigation was to determine whether or not the government should establish a royal commission to go into this matter. Mr. Johnstone made a thorough study and an exhaustive report, which was presented to the Minister of Labour (Mr. Mitchell) on December 7, 1945. After some months of pretty hard pulling on our part, we had this report tabled in August, 1946. The report is an exhaustive one. Mr. Johnstone saw all the people concerned on both sides of the dispute and also saw people who were not

involved in this dispute, but who had been involved in similar problems in 1919, such as the Canadian National Railways, the city of Winnipeg and other employers who reinstated the pension rights of their employees long ago.

After making a full study of the question, and bearing in mind the purpose of his appointment by the Minister of Labour, Mr. Johnstone made a definite recommendation in these words, found on page 17 of his report:

> It is the opinion of the undersigned that the employees have established strong claims for consideration. The nature and extent for adjustments, if any, cannot be determined except by a more exhaustive analysis than was possible, or even contemplated, in this preliminary investigation. I would therefore recommend that a royal commission be established to examine into the whole question, to determine what if any consideration should be granted, and if so, then to whom and in what manner pension adjustments should be made.

Armed with a recommendation such as that, the unions concerned have pressed for the appointment of a royal commission, and I have supported their representations in the house as strongly as I could. But the Minister of Labour, speaking for the government in this matter, has repeatedly told us that it cannot be done. The last time the Minister of Labour spoke on it was in reply to a question of mine on the orders of the day on February 3, which is recorded on pages 35 and 36 of *Hansard*. On that occasion he gave three reasons for not proceeding with the recommendation made to him by an officer of his department. His three reasons were these. First of all, he said that he did not believe in spending the other fellow's money. He said that this was money of the C.P.R.; that the plan was non-contributory and that he felt he should not be put in the position of being asked to spend another fellow's money. In the second place, he said that he felt this was the sort of matter which should be fought out between the unions and the company.

Mr. MITCHELL: I did not say "fought out".

Mr. KNOWLES: I am willing to correct the word "fought". I forget the exact word but the minister will admit he said that the matter should be dealt with between the unions and the company and not brought here on the floor of parliament. His third remark was that, in his view, after a study of the matter by the officials of his department or the Department of Justice, a royal commission would serve no useful purpose.

With regard to the first remark, namely that the minister does not like spending other people's money, may I say, first of all, that a great amount of the people's money, money out of public funds, has been given to the C.P.R. I understand that, across the years, cash grants from the federal government to the C.P.R. have amounted to $89,671,000. In my view, therefore, the people of Canada have some interest in how the C.P.R. spends its money, not to mention the fact that it makes all its money out of the people of Canada. But, in addition to that, the whole question as to whether these men have an equity which is theirs, upon which they have a claim, is basic in the entire dispute, and Mr. Johnstone went into that matter fully. This was his summing up, as found at page 15 of his report:

> Any established plan of this nature, whether wholly company-contributory or not, when maintained for a time becomes one of the established working conditions, and together with the actual wage paid they form the remuneration earned by the employee. The employee argument therefore, that by each year of service he is building up deferred earnings in a pension, is one which has considerable weight. To be deprived of these past earnings by reason of absence on strike or absence during a strike, does not seem to be equitable treatment; and all the more so when the decision is made by the party which will thereby save large sums of money as a result of rigid adherence to this rule.

An hon. MEMBER: Hear, hear!

Mr. KNOWLES: Thank you. I submit therefore, Mr. Speaker, that the position taken by the minister is not valid. This money is, in part, money supplied by the people of Canada and definitely is the money of the employees who built up an equity, and the Canadian Pacific Railway Company has no right to expropriate it arbitrarily and by unilateral action.

As for the minister's suggestion that this matter should be taken up between the unions concerned and the company instead of being brought to the floor of parliament, I have received a number of letters since he made that statement, letters from top-ranking union men in Canada. One of these letters I hold in my hand and it typifies the way in which the men concerned take issue strongly with the minister. Here is a reference to the minister's remarks which I have just quoted:

> Does he not know that the question has been the subject of discussion between the parties themselves? Is he unaware that it has been handled by the men's represenatives up to and including the president of the Canadian Pacific Railway? Because we did not receive any consideration from the mighty Canadian Pacific Railway, the question is now before the elected members of the dominion parliament to ascertain if the citizens of the dominion, in this instance, cannot receive justice to which they are entitled? God help them! Where else can they look for assistance but to those who in the

legislative assembly are elected to see that justice prevails to all citizens of the dominion of Canada, and not only to the privileged classes?

It is because I have received letters like that, because of my contacts with the men—

Mr. MITCHELL: Who signed that?

Mr. KNOWLES: I am sorry; I was going to mention that. It is signed by J. J. Hendrick, vice-president of the brotherhood of railroad trainmen. It is because of support like that, because of what I know to be the feeling of the men themselves that their case should be brought into the high court of parliament, that I have pressed the matter here repeatedly, and I shall continue to do so until justice is done.

The third remark made by the minister was that no useful purpose would be served by appointing a royal commission. That, it seems to me, is a case of passing judgment in advance, which he has no right to do. There has been a definite recommendation from an officer of his department that a royal commission be appointed. There have been repeated expressions of sympathy by the minister, by the Prime Minister and by members on all sides of the house, and it does seem to me that the fair thing for the government to do would be to carry out this recommendation.

If there are difficulties in the way of appointing a royal commission; if some other form of commission, it is felt, should be appointed, I am sure the men would settle for a different name. But certainly they feel that some kind of public inquiry should be held so that the facts of the matter can really be brought out and a finding made. Whether it could be made compulsory by the government is a matter the lawyers can argue about, but certainly if a public commission were to make the kind of finding that would be given if we had an inquiry by an impartial commission, it would have effect in the eyes of the public.

I mention in passing, as has been mentioned in the course of this debate, that at this time when the C.P.R. is asking, along with others, for increases in freight rates, this matter must be set alongside that request—this treatment that the company has given to these men. But I press home the point that right now the responsibility rests upon this government and upon the Minister of Labour and the Prime Minister, who has taken an interest in this matter, to see that this commission is set up.

It is true that the government was not the guilty party in the first place; it was the C.P.R., but the men have appealed to the high court of parliament for action. Their unions have asked for a commission, and an impartial investigator has recommended it. I submit, therefore, that the responsibility now rests upon the government and particularly upon the Minister of Labour and the Prime Minister to see to it that this recommendation is carried out.

I have here a copy of a well-known book entitled "Industry and Humanity" by W. L. Mackenzie King, and at pages 347 and 348 there are a few observations about protection for people in their old age. This was written in 1918 and, as a matter of fact, it bears upon both the subjects I have been talking about, old age pensions and these friends of mine in the employ of the Canadian Pacific Railway Company. The sentence I wish to read is this:

> If lifelong public service in industry is to receive its fitting reward, years that are denied opportunity of employment should not be subjected to the humiliation of dependence on charity.

I think, Mr. Speaker, of the plight of the old age pensioners generally, and I am thinking just now of the plight of these employees of the C.P.R., men who have given lifelong public service in industry, men who have served the Canadian Pacific Railway Company for thirty, forty and fifty years, and whose only reward in their old age is the humiliation of dependence or charity.

The Prime Minister said in 1918 that this should not be allowed, and I call upon the Prime Minister now to have a royal commission appointed to go into this matter so that justice may yet be won for these men; for I am satisfied that never was a case pleaded in which justice was so clearly on its side. The responsibility for the continued suffering of these men and their families rests quite clearly on the government.

There are two or three minutes left before my time expires and I wish to refer to one other group of elderly people. I have spoken about old age pensioners generally and I have spoken about the men of the Canadian Pacific Railway Company. I now wish to say a word about the widows of veterans of the first world war. Hon. members who were here in the last parliament will recall the long struggle to get some kind of allowance for widows of non-pensioned veterans of the first world war. It was quite a story, the way these women came here a few years ago, their perseverence, the difficulties they had, but finally their success in having their case considered, to the point that in 1943 they were granted, if in necessitous circumstances, $20 or $25 a month. A year later, in 1944, this amount was raised to the sum of $30.41 a month, which corresponds with the maximum amount payable as a burnt-out pension under the War Veterans Allowance Act. Since that

time there has been no appreciable change in the position of these women. The only change of note was made last year when these provisions were made statutory rather than subject to an annual vote. It is still true that the amount is only $30.41 a month, and that the allowance is subject to a rigid means test. Widows of veterans who did not get beyond England in the first world war are not covered at all.

Only a night or two before I left Winnipeg to come here for the opening of the session in January, the last group of people I met before leaving home was an association of these women in Winnipeg. I wish it were possible, Mr. Speaker, to transplant into the comfort of this green chamber, with all the red roses we have around today, the pitiful circumstances of these widows of veterans of the first world war who are trying to exist on the amount that is given to them. I plead for further consideration of their case, for raising the amount to at least $40 a month, letting down the barriers of the means test, providing hospitalization and medical care for them. Not to do these things is an insult to the memory of their husbands who fought in the first world war. One of the things which has bothered me has been the change in the attitude of many hon. members about this matter. Back in the days before anything had been done, there was considerable agitation. Members of all parties were rising in their places and pleading the cause of these women. But somehow or another, since they got their $30.41 a month, there seems to be a general tendency to assume that the problem is settled. I have heard members of the official opposition even congratulate the government and compliment them on what they are doing for these widows. The government does not deserve any compliments at all for asking the widows of veterans of the first world war to live on $30.41 a month. I call upon the government to do something about this matter, and I call upon my fellow members in all parts of the house to support me in this plea. Let me put it in this way: let us make nuisances of ourselves about this matter again, and let us see if we cannot get something done this year.

I see that my time has gone, Mr. Speaker, and I must close. I have confined my remarks to these three groups of people, old age pensioners generally, the retired employees of the Canadian Pacific Railway Company who have no pension, and the widows of veterans of the first world war. All of them are victims of inhumanity and callousness; they are also victims of other matters that I could discuss, such as housing shortages, price increases, and all of that. But enough for now. Just this I desire to say. These people, and indeed Canadians all across this country, are putting a very simple question to the government these days. The question has to do with that new order about which there was so much talk during the war. The question is a very simple one, but straight to the point: Where is it?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, in rising to support the amendment moved by the hon. member for Peace River (Mr. Low), I do so because I believe that the adoption of the measures contained therein is essential in order that we may achieve those things for which we fought, namely an optimum standard of living for our people, with a maximum degree of personal freedom. Canada's great war effort is still fresh in our minds. But let us not forget that the sacrifices which were made during the war were made not merely for the purpose of defeating Hitler, Mussolini and Hirohito, but in order that we in this country may remain free people.

During the war the people were encouraged by promises regarding a new social order and by the declaration of principles known as the Atlantic charter, under which all people might enjoy security and freedom. But let us constantly keep in mind the fact that victory over the enemy was merely the first objective. The ultimate objective is still to be won. We have often been told that the reason the people put forth such a tremendous effort during the war was that they had the incentive to defeat the enemy; that in peace time that incentive is lacking, and that therefore in peace time they will not be prepared to make the same kind of effort as they were in war time, to reach their peacetime objective.

Surely, Mr. Speaker, under dynamic leadership in Canada it should be possible to arouse enthusiasm to attain that main objective of giving to the people of Canada the highest standard of living that the country can produce or the people may desire. Whilst it may take many years to reach that objective in so far as many countries of the world are concerned, nevertheless it can be reached, I believe, at an early day in Canada, thereby giving leadership by example to the other nations of the world.

And to those people who are so afraid of communism and socialism I would say that the only way to stop their growth in Canada is to make private enterprise work, not merely in the interests of this class or that class, but in the interests of all the people of Canada. However, when I read the speech from the throne I find no sign of the type of leadership that is essential to inspire people with a will and confidence to drive on to an objective. There can be no security for people who are physically incapacitated, when no provision is made for payment of a pension. There can be no security for the aged on a miserable pittance of $30 a month, or less.

I am aware of the fact that the speech from the throne does mention that an amendment will be passed; but recalling what was said by the then Minister of National Health and Welfare at the end of the last session I have grave doubts as to whether that amendment will bring about the changes in the Old Age Pensions Act which we consider essential. I would say there can be no security for people in the lower income brackets while the government confiscates a large part of their income. There can be no sense of security for workers in this country when they are continually being warned of the danger of approaching depression. How can we expect industry to go full steam ahead when they have no assurance regarding future markets?

As I said, there is nothing in the speech from the throne to inspire people with confidence regarding the future. Again I would remind the house of the warning that was issued to the country by Mr. Graham Towers in his report of 1946. I put it on record last year, but I make no apology for placing it on record again at this time, because it is a warning that should be kept constantly before the people of Canada. I refer to page 9, where I find this:

> Clearly it is the first two items in the expenditure table, comprising total government outlay, which represented the main driving force behind the very high level of activity which was attained during the war period. Canada's problem now is to expand the other types of expenditure, and particularly domestic private investment and domestic consumption, in order that there will be compensating stimulus as government outlays decline to their post-war level.

And on page 10:

> Looking to the future, however, there is no reason for complacency. Most of our real problems of post-war adjustment are still ahead. The backlog of demand will not be large in relation to productive capacity when industry has been fully reconverted and inventories built up to normal levels. When the time lag involved in demobilization is over, government expenditures will fall rapidly. Nor will our foreign lending to finance the purchase of Canadian goods remain indefinitely at the present level. The prevailing optimism on the North American continent is dangerous if it diverts attention from the problems which have to be faced.

Many similar warnings have been issued. I should like to refer briefly to a book which I believe most hon. members have seen. It was written by Mr. W. H. Moore, a former member of the House of Commons, and is entitled, "Grey Days". At page 5, he speaks about a report of a committee of the league of nations, and states:

> That world depression should be brought to an end and never happen again the assembly of the league of nations, October 1937, arranged that a delegation of scientists should study the conditions that bring about depression and report on measures to prevent them. After prolonged study the committee issued its report in two sections, the first one in 1943 and the second one in 1945.
>
> The final report contains 319 pages from which, at present, I extract but six words. After reciting the conditions that led up to the disastrous decade of the nineteen-thirties, the delegation reported: "That history is repeating itself today."

Then I noticed a press report the other day which quoted Mr. L. B. Pearson, under-secretary of state for external affairs, as warning that, unless Canada is careful and lucky, she may be looking back on 1947 with nostalgic envy.

In view of that type of warning, is it any wonder that the people of Canada are becoming leery as to what the future may hold for them? I do not doubt for one moment that the Prime Minister (Mr. Mackenzie King) will be careful—careful not to commit himself to anything definite. That attitude, however, does not help create confidence or inspire the people with enthusiasm. I think it must be obvious to all who seriously address themselves to this problem, that the great danger in the near future will be a depression on account of lack of purchasing power, or lack of effective demand against those goods which the people desire and can be produced in abundance. To a very large extent it will be a repetition of what we in this country suffered during the thirties. I have in mind especially the period of 1935 to 1939. It will be recalled that during that time we had in the neighbourhood of a million people on relief, industry running at less than fifty per cent of its capacity, and half a million unemployed.

During that time it was the common practice to blame industry for that situation. People said, "Why does industry not have more confidence and expand production, utilizing the unemployed to produce goods that the people so sorely need in this country?" I would say that industry was not to blame for that situation. Industry knew only too well that if

they were to expand their production they would merely have an increased amount of production remaining unsold on their hands, unsold because they were already at that time with that limited amount of production having a great deal of difficulty in disposing of their goods.

The hon. member for Peace River explained in his speech the cause of this situation, namely, that owing to certain practices inherent within the capitalist system industry is not able to distribute sufficient purchasing power in the form of salaries, wages and dividends to make it possible for the people to buy their production except in times of abnormal capital goods construction such as exist in war time or in the early development of new countries. In both these last two cases the purchasing power of the people is maintained by going steadily farther into debt.

As a result of that we are faced with one of three alternatives if we desire to maintain the full development of the resources of the country. We have to export our surplus goods and maintain a favourable balance of trade as was done by the industrialized nations in the eighteenth and nineteenth centuries, or we have to destroy production on a grand scale as was done in 1930, or we have to adopt the only sane plan, of expanding the purchasing power of the people to the point where they can buy the total production of the country.

In the past, industrialized nations have tried to maintain employment by the first two means, by exporting their surplus goods and not bringing back imports in return. As the hon. member for Peace River pointed out, that was the policy of England for 200 years prior to 1914. It was true that England maintained a fairly high degree of employment in that period; it is true that, generally speaking, England was considered to be a prosperous nation, but do not let anyone forget that during that period there was horrible distress and destitution among many classes of people in that country.

That situation came to an end to a very large extent in 1914 when the crisis developed. What had happened was that the countries to which England had been exporting goods had themselves become industrialized and were trying to do the same thing; they were trying to export their products to other countries and a tariff war ensued. That policy must be condemned on the ground that there can be no justification for exporting more than you import when that production is sorely needed by the people of the country.

I would say that under no consideration whatsoever can the destruction of goods be justified.

These policies I think are adopted chiefly because of a false objective, the objective of full employment instead of the democratic objective of an optimum standard of living for the people of the country. If your objective is an optimum standard of living, then by no possible means could you justify exporting more than you import, nor would you dream of destroying goods, nor would you reduce production just because there was inadequate buying power to make it possible for the people to buy it. Therefore, in order to achieve that objective you must expand the purchasing power of the people to the point where they can buy the total production of the country. I should like to quote from a report by Doctor Harold Loeb, who was chairman of the national survey of potential production capacity in the United States in 1935. He was appointed by Mr. Hoover and in his book "Chart of Plenty" under "Conclusions" on page 161, he has this to say:

> It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them, might well be tried. It is simple in principle but has not been attempted.

It is in the light of this situation that we moved the amendment which is now before the house. Before proceeding, I should like to read the first two sections to which I intend to direct my remarks: They are:

> Ministers ought to have advised Your Excellency that they would introduce in the present session measures providing for:
>
> A. The return to parliament of complete and effective control of Canada's financial policy.
>
> B. The use of the national credit to meet at least some of the financial requirements for essential services; and, as a guarantee that this country shall not again be subjected to financial depression, to make available to each and all Canadian citizens a proper portion of purchasing power which shall not first pass through the usual channels of industry, this on a basis calculated to maintain a balance between effective purchasing power in the hands of consumers and the aggregate of the prices of goods available for sale.

We realize that we are still in a transition period and that it is not yet possible to meet all the demands of the Canadian people. However we believe that the standard of living of the people could be greatly increased it we were to remove some of the obstacles in the way of production; if we were to remove some of the heavy taxation and also some of the controls; if were to start and curtail the size of some of the large foreign loans that have been made in the past.

Nevertheless we are rapidly approaching the situation referred to by Mr. Graham Towers in his 1946 report. I would say that we cannot afford to wait until that situation develops because, once a depression comes into being, it is too late. You have then started to destroy the confidence of the people and it would not be an easy thing to revive production in the country.

Therefore we urge that the following steps be taken. We urge the setting up of a competent national monetary authority operating in conjunction with the Bank of Canada and responsible to the people through parliament. This authority should exercise full and effective control over the operation of the monetary system, including the issue and withdrawal of all currency and credit. This authority should be required to maintain a proper accounting of the national economy to ensure (a) that adequate monetary facilities are available to finance all required production, having due regard to a proper balance being maintained as between capital goods and consumer goods production; and (b), that at all times the people possess effective purchasing power equivalent to the total prices of goods available for sale.

It would also be the responsibility of this national monetary authority to finance all government expenditures that could not be met by an equitable system of taxation, and at the same time without increasing the national debt. Keeping in mind the fact that the real objective of the people is an optimum standard of living and that the main obstacle to achieving this objective in the future will be a lack of effective demand, it should be the responsibility of this financial authority to maintain a balance between the total national consumption, including capital depreciation and exports, on the one hand, and the total national production, including capital appreciation and imports, on the other.

Until such time as production has been expanded sufficiently to take care of the desires of the Canadian people and keeping in mind the necessity of giving assistance to distressed countries, our first job should be to guarantee security for the aged and incapacitated and all those people who are unemployable. It is all very well to talk about a new social order, but first of all let us set our own house in order. There is an old saying that charity should begin at home. Surely Canada with a population of only eleven and a half million to twelve million people and an income of around $10,000 million, an average of about $3,500 per family of four, can do better than a mere pittance of $30 a month for her aged people.

We have urged that pensions should be paid at the rate of $50 a month at the age of sixty; that a similar amount should be paid to all people who are incapacitated and unemployable and that no means test shall be applied. We also believe that the war veterans allowance to both veterans and their dependents should be increased to a similar amount.

In order to ensure that the people of Canada would at all times be able to buy the goods that are offered for sale, the price of these goods should be adjusted so that they bear the same relationship to their financial cost as the total national consumption bears to the total national production. For example, if the financial authority upon checking the relationship between demand and supply find that demand was equal to, say only ninety per cent of the supply, the authority would authorize the payment of a ten per cent discount. The retailers would then sell their goods at ten per cent discount and submit their sales slips to the banks and be compensated for that ten per cent loss; the banks would present their slips to the financial authority and receive credit for the amount they had advanced to various retail merchants, and there would be no increase in taxes. In this way demand would be balanced with supply, and industry could expand with confidence, knowing there would be a ready market for all the goods they produced of a desired quality. As our production steadily expands and the situation referred to by Graham Towers becomes more evident, we could either increase the amount of the discount or, on the other hand, guarantee a basic income to all people. That, of course, would be issued on the basis of the surplus goods which were available for distribution. Surely this would be a far better way of dealing with our surplus goods than destroying them or making foreign investments, and, on the other hand, better than reducing production owing to inadequate buying power on the part of the people. If, by any chance, the guaranteed basic income established was so high that it created a demand greater than could be satisfied, the discount in that event would turn into a sales tax and the balance between demand and supply would be restored in that way.

Some people say, why could we not expand the purchasing power of the people by expanding wages? Unfortunately, when you expand wages you expand costs, and when you expand costs you expand prices, so that the purchasing power of the people will not be increased in relationship to the total prices charged. I quite realize that there would be certain cases

where wages could be increased without increasing prices, but generally speaking it must be true to say that a general increase in wages brings about a general increase in costs and a general increase in costs brings about a general increase in prices. Therefore, in order to expand the purchasing power of the people in relation to the prices of the goods for sale, additional purchasing power would have to be paid to the people without its passing through the channels of industry. Otherwise it would incur costs in the process, and the purchasing power of the people would not be increased in relation to the total prices of the goods charged.

No doubt some hon. members would say that an increase in purchasing power or a price adjustment is bound to bring about an increase in taxation. Obviously these payments cannot be made by an increase in taxation because that would defeat the very purpose of issuing the purchasing power and decrease the demand for goods. Obviously these payments cannot be made by an increase in the sales of bonds to the people because that would also reduce the purchasing power of the people. I think the war policy proves that point conclusively. It will be recalled that during the war we had very heavy taxation and that we indulged in heavy borrowings from the people, and one of the reasons given for that policy was to curtail the spending power of the people. If heavy taxation and bond sales curtailed the spending power of the people in war time it is bound to have exactly the same effect in peace time.

I should like to quote from a speech made by the deputy minister of finance, Doctor W. C. Clark, in 1942, at Montebello, as reported in the *Financial Post*. Dealing with this question, Doctor Clark said:

> The same philosophy which has led to these very high taxes in war time is likely to dictate a reversal of that policy in the post-war years. Today, demand is far in excess of supply. Consumer purchasing power is far in excess of the available supply of consumer goods and services. The taxing authorities therefore must through high taxes siphon off as much as possible of that surplus purchasing power if we are to avoid all the evils of inflation.
>
> On the other hand, the post-war period is likely to pose an entirely different set of conditions. If we may judge by the record of the past, we are likely to see, after a temporary period of dislocation and hesitation followed possibly by a consumer goods purchasing boom, a period during which, unless the state acts aggressively and intelligently to prevent it, supply or potential supply may tend to be far in excess of effective demand.
>
> What will then be needed is to safeguard against deflation, not to prevent inflation. If we are to avoid a long depression and mass unemployment, the policy required will be one of stimulation of the economy, one that will create expansionist tendencies, one that will provide incentives to expansion of production, one that will encourage the consumer to spend and expand his purchasing power, in short, one which will keep the national income from falling to abnormally low levels.

I think that is a warning we can very well take to heart at the present time. So quite obviously that problem cannot be solved through spending money obtained either by taxation or by borrowing the savings of the people, because that in itself is a deflationary policy. The money needed to maintain an effective demand against our production should be issued by the monetary authority. It should be paid direct to the consumer without passing through the channels of industry and would be debt-free, because obviously you cannot meet a deficiency of purchasing power by going into debt; otherwise when the debt is repaid the deficiency would recur.

Former ministers of finance have charged that issuing national money would be highly inflationary because it would increase the cash reserves of the chartered banks and they would then be in a position to expand their loans in the ratio of ten to one of their cash deposits. I think that proves conclusively that we have not effective control over the issue of credit on the part of the chartered banks when we as a nation are placed in the ridiculous and helpless position of not being able to issue our own money without fear of the action of a subordinate body.

Therefore, in order that effective control may be established over the actions of the chartered banks in creating money, we suggest as one means the adoption of the 100 per cent system. We are not dogmatic on this question. We quite realize that there may be many other methods by which the results desired may be achieved, but we suggest that this is one means of overcoming the objection raised by ministers of finance to our suggestion that national money should be made use of to make up a deficiency in purchasing power. That is to say, we urge that the Bank Act be amended so that the chartered banks will be required to maintain 100 per cent cash reserves behind their demand deposit liabilities. A national monetary authority could provide the banks with this extra cash by buying from them the dominion securities now held by the banks. Banking would then become wholly a business of lending and reinvesting pre-existing money. The banks would no longer be able to create money as they have done in the past. There would, of course, have to be a sharp distinction drawn as between savings and demand deposits. The savings would be term investments and would be withdrawable only on

notice. In the past the Minister of Finance has taken the stand in the house that by banks surrendering interest-bearing securities for cash they would have to operate at a loss. I would say that this point has never been proved largely because the government have seen fit to refuse to disclose to hon. members the size of the banks' hidden inner reserves. Nevertheless, if the government or the banks can prove that such a proposal would mean that they would operate at a loss, then the national monetary authority could lend the banks money against their securities instead of buying them outright, and they could be charged a nominal rate of interest on the money advanced to them in that way.

May I point out that this proposal known as the 100 per cent system has been endorsed by many prominent economists and bankers. The 100 per cent system would undoubtedly effectively control inflationary action on the part of the chartered banks. I am not quite satisfied myself that you could also control the danger of a deflationary policy by them.

It is interesting to note what Major Douglas has said on this point. Some people believe that the safest way to establish control over the chartered banks would be by nationalizing them. We of this group have never taken a stand against the nationalization of the chartered banks; we have merely pointed out that you will accomplish nothing by merely nationalizing the banks unless you change their policy. In his book entitled, "The Use of Money", at page 29 Major Douglas points out that, whilst the majority of bankers would be quite prepared to cooperate, nevertheless approximately five per cent at the top would in all probability oppose the adoption of a sane monetary system. Then he goes on to say:

> I do not say that something like the nationalization of banking will not have to come. I think it probably may have to come. But what I am perfectly certain of is that if you unite the powers of government with the powers of banking before you have changed the banking system, you have got a problem which is doubly difficult to solve.

In closing, I should like to say to hon. members who are still suffering from the delusion that governments have to depend upon the receipts from taxation and borrowing from the people for their revenue, that that is not how we financed the last war. It is true that we had heavy taxation and large bond sales, but let not hon. members forget that over $3,000 million were created by the chartered banks for the use of the government. In all, over $4 billion of new money was created during that period. Therefore do not let anybody jump to the conclusion that we financed the war solely by bond sales to the public and taxation. We would have had a very different kind of war effort from the one we had if that had been done. The only exception that we would take to the method adopted by the government is that this money was created by the chartered banks instead of by the Bank of Canada. Had it been created by the Bank of Canada, then we would have had that much less debt in the country.

Let me recall the situation which we had in the country back in 1935 and 1939. Hon. members will remember that on every occasion when we in this corner urged the government to use national money to meet the needs of the people we were met with the cry that such a policy would mean inflation. Then the war came, and immediately the chartered banks were hired to create hundreds of millions of dollars in order to maintain the full development of the resources so as to have the greatest possible war effort. We say that if it is possible to create money in wartime to maintain the full development of the resources of the country, then it should also be possible to create money in peace time in order to achieve the objective that we fought for, namely a high standard of living with maximum degree of personal freedom for the people.

It was the declared policy of the government in war time that no financial restrictions should be allowed to impede our war effort. The only limits were the men and materials available. Then we come to the year 1946 and the question of the old age pension is raised in the house. It is suggested that old age pensions of $50 a month at age of sixty should be paid, and once again as from 1935 to 1939 we are met with the same old cry that it cannot be done because it would cost too much money. If, instead of our talking about old age pensions, the war had been on and we had been suggesting that we should build, we will say, so many tanks, would we have been met with the cry, we cannot do it because it would cost too much? No; it would have been merely a question of whether or not we had the men and materials to build these tanks. Surely, then, when we are dealing with the question of old age pensions the only thing we should have to consider is whether or not we can provide the goods to satisfy the demand created by the payment of increased old age pension. In view of the fact that we are being warned that the main obstacle which we have to face in the future is lack of effective demand, a very good way to create the demand will be by paying old age pensions to the old people, and paying pensions to all people who

are physically incapacitated. I do not believe that people will tolerate that kind of financial dictatorship in the future. Let it not be said that money can be the servant of the people only in war, and that in peace time it has to be the master.

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, before beginning my address on the speech from the throne, permit me for a few moments to say something with regard to the pleasurable event we had here this afternoon. I am referring to the unanimous welcome extended to our Prime Minister (Mr. Mackenzie King) when he returned to his duties in the house. It was a unanimous welcome, and I therefore would make a suggestion that, should it ever occur again, the red roses might be given to both sides of the house.

I should also like to say that during the absence of the Prime Minister the house was most capably led by the Minister of Veterans Affairs (Mr. Mackenzie). I am sure that his work in leading the house during the absence of the Prime Minister will enhance his position when it comes to the selection of a man to succeed the Prime Minister. Had the roses been passed to this side of the house, no doubt I would have been pleased to wear one myself this evening.

Again, sir, it is my privilege to address you as the honourable Speaker of the house, notwithstanding the rumours which have been floating around. According to the press, you are to be chosen as leader of the party in the great province of Quebec. Another press report I read—no doubt you have seen it on many occasions yourself—was that a prominent place in the cabinet awaits you when the second shuffle begins. However I am glad to see you here in your accustomed chair at the present time. I have now received my rose.

Mr. HARKNESS: How does it smell?

Mr. McLURE: In speaking in this debate, I would be remiss in my duty if I did not congratulate the mover of the address, the hon. member for Prince (Mr. MacNaught). He excelled himself as he freely and fearlessly expressed his views, which would be, of course, in accord with those of his own government. The hon. member for Prince showed in his speech what his own party would say was good sportsmanship, and he built up that sportsmanship because, when his party had reviled and neglected us, he reviled not again during his speech, except to say one thing—and I quote what he said:

> It is difficult to estimate just how much Prince Edward Island suffered during that period.

[Mr. Quelch.]

No doubt the hon. member meant the delay in transportation and delay in getting our new ferry boat.

I desire also to congratulate the seconder, the hon. member for Richelieu-Vercheres (Mr. Cournoyer), on the excellence of his maiden speech. He likewise did his party full justice re the speech from the throne. Despite the fact that he resides in that great shipbuilding centre of Sorel, where our car ferry has been in the course of construction for the past number of years, we shall not hold him responsible for the many unfulfilled promises of her early completion by his government.

It is a year, Mr. Speaker, since the opening of the second session and we are now in the third. During that time, death has claimed three members of this house. In stature, charm and loyalty they were real, typical Canadians. In cheerfulness, accomplishment and geniality they were typical parliamentarians of this house. They may not be missed, since their seats will be filled, but I can say that they will be long remembered. During that time also, one gentleman from this side resigned his seat, and when I say "gentleman" everyone knows whom I mean. I refer to the Hon. Doctor Bruce.

The government then called elections to fill the vacancies, and I am now pleased to congratulate the winners and also to congratulate this side of the house on securing two or three most capable members.

The speech from the throne admits of varied forms of debate, its longitude being forty minutes and its latitude any distance or any subject of interest which the speaker or the constituency which he represents may desire to select. The speech from the throne is a governmental document prepared by the cabinet and placed in the hands of His Excellency by his constitutional advisers; therefore any criticism of mine or any other member does not reflect in any way upon His Excellency the Governor General either in person or with regard to public affairs.

The speech from the throne, with its contents, is a programme, I might say, of indefinite policies and contains many speculations on what legislation may come before this house, but it is entirely void of any practical policy for the benefit of our country.

I wish to refer for a moment to some distinguished visitors who came to our province last summer. First of all, I would mention His Excellency the Governor General and Her Excellency the Viscountess Alexander of Tunis. Our province and people gave them a real welcome, only such as can be extended by that province, the garden of the gulf, and our

veterans were pleased to add greatly to the celebration and the welcome they gave their soldier leader. Our idea in welcoming them was that they would return soon and visit us at greater length. That was our hope.

Another visitor I wish to mention—and we had a most pleasant visit from him—was the Minister of Transport (Mr. Chevrier), accompanied by his excellent lady Madame Chevrier. I am sure they were pleased with the honour and reception that our people extended to them. Then came the Minister of Fisheries (Mr. Bridges) and some of his officials. We accorded them a real welcome—a maritime welcome to a maritimer. After that, we had the royal commission on Indian affairs, the chairman being the hon. member for Essex West (Mr. Brown). He was accompanied by quite a number of members of the commission and their wives. While the Minister of Transport was in our province, he spoke to a large meeting of the Rotary club. His address was a smooth, idealistic speech, well delivered, on the subject of transportation. It was good study propaganda not only for his own department—

Mr. SPEAKER: I would ask hon. members to moderate their voices. I note with interest that hon. members can carry on conversations and listen to speakers at the same time. I am wondering if it is, after all, so necessary to have loud-speakers.

Mr. McLURE: Thank you, Mr. Speaker.

I was saying, with reference to the speech delivered by the Minister of Transport, that it was good study propaganda for his department and government. Perhaps some of us, particularly myself, would rather have had him get down to the real problem of transportation as it affected our province. However we were glad to welcome him and regretted that his stay was so short, but he left us with the promise that he would come in another season without any time limit.

The Minister of Fisheries visited different parts of our province and spoke to the fishermen in the different localities he visited, and I must say that he dealt with the problems and the future of our fishing industry with a good deal of satisfaction to fishermen and others who listened to him. I am sorry the Minister of Fisheries is not in his seat at the moment, but I believe he made a little bit of ministerial departure when he spoke to a Liberal club in Prince county on the subject of Liberalism. The press was present, and the next day the paper that covers the island like the dew had an extended report of it. Whether these speeches of the Minister of Transport and the Minister of Fisheries were well timed for the benefit of the Summerside provincial by-election or not I do not know, but I do know that the Progressive Conservative candidate won. The Canadian National railway official, the Liberal candidate, was derailed, while the high school teacher came through with a win. I should like to refer to just one matter in connection with this provincial by-election and it is this. Up to the time this election was brought on, there was a shortage of refrigerator cars in connection with shipping but the Canadian National Railways, through somebody, had a surplus of those cars in Summerside and west, even to the discrimination of many other shipping points.

The royal commission on Indian affairs came at a time when they enjoyed real autumn weather. This commission visited the chief points which they were called upon to visit, but made an extended visit to Lennox island, the chief Indian reserve in our province. No doubt this commission will be making an interim report to the department, if they have not already done so. I hope that they looked carefully into the matter with the Indian chief at Lennox island brought before them, namely, political patronage with regard to government supplies for Indians. The complaint of the Indian chief, as given, was that when a permit was given for supplies the Indians were supposed to go to some government party store and buy what they wanted. There may be nothing wrong with that but, as the chief stated at the meeting of the commission, the Indians could not even get an itemized account. Surely it would be better if, when they are given their permit for supplies, they were allowed to go out and buy in whatever market they wish up to the full amount of their permit. I mention this only on behalf of those Indians who are getting those permits. It would make them seem more independent if they did not have to go to the government party stores to have the permit filled.

I would possibly be remiss in my duty, Mr. Speaker, if, in going over the distinguished visitors, I omitted the hon. member for Davenport (Mr. MacNicol) and his visit to Prince Edward Island. He came on a fact-finding visit with reference to the tourist business and our transportation. I might say that nobody is more welcome to our province than is the hon. member for Davenport; and the last words which were shouted out to him when he was leaving the meeting, as he was on his way to the Borden ferry, were, "We hope you will come again, John R."

In the course of a great many of the debates which we hear in this house, and outside it as well, speakers emphasize the matter of unity.

Let me say that the unity of Canada is only as strong as the fulfilment of the terms of confederation. I believe in confederation. It has made some success; but how much greater would be that success if this young nation and each of its provinces could have the fulfilment of the terms of confederation. We seem to be drifting farther away from unity as the government legislates. We find the government seeking now, as they have been for the last six months, to set up centralization of government for Canada. This government has claimed the right to amend the British North America Act without the consent of the electors in the respective legislatures of the various provinces. What does that mean? It means that, if this government can do that, there is a certain amount of confidence lost in our confederation pact. The objective and aim of the fathers of confederation was for a united British North American nation, our Canada. But this objective and aim cannot be attained when the terms of union remain unfulfilled and ignored by this government, thus retarding progress and development, in particular with regard to my province.

I shall now come to a particular subject of my own which I have discussed before in this house on several occasions, namely, the truck freight rates on the Borden-Tormentine ferry. In dealing with this matter I do not wish to be misunderstood, because I want to be absolutely fair with regard to it. Last year I was accused of unfair criticism with respect to this transportation problem. However, it is all a matter of what we consider to be the meaning of the word "criticism". This was well defined by a soldier in the great war when he said, "I believe that the only practical thing one can do when a mistake is made is to take a crack at the man who made it." Then he summarized it all by stating a very simple, effective and concise maxim, "Scratch where it itches." The thing that itches us down home in our province is our transportation situation and the heavy and exorbitant freight rates on the ferry. On previous occasions I have endeavoured to deal with the unjust, discriminating truck freight rate on the Borden-Tormentine ferry; but now, in view of the findings of the Board of Transport Commissioners for Canada tabled a few days ago, I certainly regret to read in the press across Canada, after the board rendered its judgment, headlines as follows: "Board ignores confederation pact entirely."

On February 10, 1947, the Minister of Transport answered a question asked, as he stated, "by the junior member for Queens", regarding Borden-Tormentine freight truck rates, stating that the judgment of the board of transport commissioners had been rendered and would be printed for distribution immediately. Just to remind the house, this was a case of the Board of Transport Commissioners for Canada holding a sitting on July 17 and 18 last at Charlottetown with respect to Canadian National freight rates on the Borden ferry. It must have been a very difficult decision to render, because the judgment took over two hundred days to be rendered and brought to this house. If the judgment is as long as the time it has taken, I am afraid it will be beyond my powers to peruse it. However there is one unique feature in connection with the rendering of this judgment: it seemed to be synchronized with the very day I asked my question. Strange, Mr. Speaker, that great minds had one common thought in view.

While I have not been favoured with a printed copy of the findings so that I may study them, the press has given their main features. What do we find? The Board of Transport Commissioners for Canada ignore the confederation pact by which we entered confederation, and in doing so they have rendered a judgment. However, to their credit let me say this one thing, that they made the implied admission that it was beyond their jurisdiction to consider the Borden-Tormentine ferry freight rates as part of the agreement between Prince Edward Island and the Dominion of Canada.

I protested the holding of the board meeting when it was held on July 17 last, on the ground that they had no jurisdiction. And I protest again at their findings because they are not in accordance with and under the terms of the confederation agreement of 1873. I have no quarrel at this time with the Canadian National Railways. They are the subcontractors operating under a government mandate. I am quite sure that from their point of view the railway company has done its work well in the past winter with regard to freight. During all this winter, freight has been very heavy indeed. They have only one boat with a capacity of ten cars to take care of the great amount of freight involved. I might say that for the shipment of potatoes for British account it will require 3,000 cars, or 1,500 cars each way. In addition to this, freight is piling up, such as feeds, fertilizers, fuels, and the like, which have to be carried over.

The work of the Canadian National Railways has been good, and, as I said, I have no quarrel with them. They worked hard this winter, and did their best to carry the freight

The railway men who operate their trains are excellent men, who operate under the skilful guidance of their superintendent, Mr. Montgomery. However I can readily understand that the Canadian National Railways have no interest in the welfare of our province and the transportation problem involved in the Borden-Tormentine ferry. They are in business for themselves; therefore I am not basing my claim or lodging my charges against them.

Let me cite two cases to show that they are interested only in the Canadian National Railways. When the late Sir Henry Thornton, one-time president of the Canadian National Railways, and some of his officials, were giving evidence before the Andrew Rae Duncan commission at Charlottetown in 1926, what do we find was his attitude at that time? In his evidence the president stated that the Canadian National Railways were not concerned with the terms of confederation, but they were just given a mandate from the government solely to operate the ferry.

Then again, on October 24, 1945, before a meeting of the standing committee on railways and shipping we find a similar statement made by the president of the railways. At that time President Vaughan was being asked a number of questions by the hon. member for Rosedale (Mr. Jackman), and one of his questions was this:

Are the rates on the ferry high, and does the C.N.R. set them?

This is the reply given by the president of the railways:

We do not think the rates are unusually high. Of course everything that goes over on the ferry is in direct competition with the railway. We think we are generous in allowing the trucks to go on the ferry at all.

Let me repeat the last sentence, "We think we are generous in allowing the trucks to go on the ferry at all." That is the statement which came from the president of the railways, that they do not own, do not charter or do not maintain that ferry. Hon. members can now judge just how much interest they have in transportation rates on the Borden-Tormentine ferry.

In 1926 the Duncan commission, in its findings with respect to the cost of operation, stated that the car ferry accounting should be taken out of the hands of the Canadian National Railways, and the cost of operation should be charged to the consolidated revenue fund of Canada. The reason given for this recommendation was that it was working an injustice against Prince Edward Island.

I am sure hon. members will agree that this is conclusive evidence that the railway company should not be allowed to set the freight rates cost for the truck traffic transportation on the car ferry system, as they do today. Time does not permit my dealing fully with this question. Therefore I shall summarize a few of the points I have emphasized.

We entered the union in 1873. The terms of union with respect to transportation were as follows:

That the dominion government shall assume and defray all the charges for the following services, viz:—

Efficient steam service for the conveyance of mails and passengers, to be established and maintained between the island and the mainland of the dominion, winter and summer, thus placing the island in continuous communication with the Intercolonial railway and the railway system of the dominion;

And such other charges as may be incident to, and connected with, the services which by the "British North America Act, 1867," appertain to to general government, and as are or may be allowed to the other provinces.

From 1873 to 1915 Prince Edward Island dealt with dominion governments and pleaded with them for the fulfilment of the terms, but to practically no avail. Then in 1915 the Borden government of that day inaugurated the Borden-Tormentine system, which was a beginning toward implementing the transportation agreement. Then the operation of the Borden-Tormentine ferry was turned over to the C.N.R., and the federal government was to pay all deficits in connection with the operation. In 1919, when our mode of traffic changed with the advent of motor cars and motor trucks, our real problems showed up. Arbitrary rates were set for conveying motor cars and trucks. The charges for conveying motor cars for a return trip was $7, plus sixty cents for each passenger, and this for a distance of eighteen miles. In 1931, when the late R. J. Manion was minister of railways and canals, the Prince Edward Island government appealed to him and he reduced the rate from $7 to $3 without any board of transport commissioners being called in to adjudicate. He dealt directly, as was his right to do, with the government of Prince Edward Island.

I should like to mention a few of the prohibitive rates. I am not going into detail because I put these on the record before. A five-ton truck load of first-class commodities cost $60.65 for the return trip; for second-class commodities the rate is $54.65; for third-class, $50.65, and for fourth-class, $44.65. Those are prohibitive rates. A truck driver told me one day that, if he bought a new truck and made a trip a day, at the end of the month the Canadian National Railways would own the truck as well as himself.

In 1945 the matter of setting rates for the Borden-Tormentine ferry was placed before this house, and at that time the house was informed by the Minister of Transport, as reported on page 3685 of *Hansard* of 1945, that the Minister of Transport could not set the rate; this in spite of the fact that the former minister of railways and canals had reduced the rates by sixty per cent.

Let me refer again to the board of transport commissioners. They sat in Charlottetown on July 17 and 18 last and there listened to the evidence and rendered their decision. That verdict was not in accordance with the terms of confederation. Under the British North America Act the dominion parliament, and it alone, through the Minister of Transport of the government in power, has the exclusive authority over all matters such as rates, et cetera, on ferries between a province and any British or foreign country. I made my protest on those two points.

Such ferries should be treated as national highways under the pact of 1873. There is nothing in the Railway Act which gives the board of transport commissioners jurisdiction to determine rates, charges, et cetera on an interprovincial ferry which the railway does not own, does not charter or does not maintain. I am not going to take up much more of your time, Mr. Speaker, but in conclusion I wish to say that when we entered confederation in 1873 the aim of all parties to that contract of agreement was that there should be no barrier to interprovincial trade simply because my province of Prince Edward Island was an island.

I claim that the water route from Borden to Tormentine, a distance of nine miles, should be in effect a national highway. If there is to be a charge at all it should be based on the normal cost of moving freight over an equivalent mileage on land. This should be done without waiting for the completion of the new ferry. Both leaders of the two major parties agree with me. In 1941 the Hon. Charles A. Dunning, who represented Queens county, spoke there on our transportation problems. No doubt speaking with the authority of his leader, he said: "It is in the bond of agreement and it must be fulfilled." My leader on this side of the house agrees with that, because he has said: "We believe that the water route from Borden to Cape Tormentine should be in effect a national highway and must be treated as such."

Is it any wonder that we are dissatisfied with the shameful betrayal of our island's interests by the powers that be at Ottawa? Again I charge this government with gross indifference and negligence in dealing with our ferry transportation problem. I shall give the house more of this a little later.

[Mr. McLure.]

Mr. E. L. BOWERMAN (Prince Albert): Mr. Speaker, in rising to take part in this debate I do so because this debate affords an opportunity to hon. members who may feel so disposed to bring to the attention of the government matters of particular interest to their constituents as well as matters concerning the nation as a whole. I shall be brief, for all that I desire to do at this stage of the debate is to lend support to my colleagues who have so ably defended the needs of agriculture and labour, as well as the interests of our veterans and senior citizens, and to place before the government matters which concern my own constituency.

I should like to call to the attention of the Postmaster General (Mr. Bertrand) that the citizens of Prince Albert constituency have waited too long for the promised improvements in our postal facilities in the city and the territory surrounding it. In an area as large as most constituencies across Canada, with a population of nearly 47,000, there is not one rural free delivery route in the constituency. The postal facilities for the city itself are not what they should be for a city the size of Prince Albert and the territory it serves. Then again, all those who are so faithful in seeing that the mail gets through in all kinds of weather; in our city and from the railway points to inland post offices, whether in the offices or delivering, are paid far too little for the arduous tasks they perform. Especially those couriers who, through all kinds of weather, carry the mail from railway points to inland post offices. They, too, should come under the bonus arrangements provided for by this house and, when the Postmaster General's estimates are before us, we shall continue to press this matter further.

I should also like, Mr. Speaker, through you to call to the attention of the Minister of Transport the petition from the citizens of the city of Prince Albert to the Canadian National for a new railway station. The present building is entirely inadequate in every way. It does not meet the need of the railways themselves, particularly the government-owned railway, for efficient and proper handling of the passenger and express service of the city and the vast territory surrounding it, particularly to the north and west. The petition sets forth clearly and precisely the need and furnishes the statistical data which proves conclusively the immediate need of such an undertaking on the part of our government owned railway.

I would urge the Minister of Transport to give the matter his careful and considerate attention.

Then there is the matter of the Prince Albert national park, one of the most beautiful of nature's playgrounds in all Canada. We in Saskatchewan and the north central part in particular, feel that the government has failed to provide the means for developing the park to the extent that should have been done. There was perhaps good reason for this during the war years. But now that is behind us and we are looking toward the future. Thousands more Americans from the middle western states would spend their vacations at the park were roads and park facilities such as they should and very well could be. Money spent along these lines would pay not only dividends in good United States money, but dividends beyond measure in neighbourly good will and understanding that cannot be measured in dollars and cents. I hope that the Minister of Mines and Resources (Mr. Glen) will keep this matter in mind, for we hope to deal more in detail with it when his estimates are in committee.

I should also like to say in passing that Prince Albert is still waiting for the Minister of Reconstruction and Supply (Mr. Howe) to fulfil the promise which he made regarding runways for the airport when he was in the city prior to the last election.

There is another more urgent and pressing matter which I wish to bring to the attention of the government, particularly the Minister of Veterans Affairs (Mr. Mackenzie) and the Minister of Labour (Mr. Mitchell), who are not in their seats at the moment. It has to do with the vocational school in Prince Albert. I have discussed the matter with the Minister of Labour and I am hoping that he and his colleagues will reconsider their decision to close this school on April 15. In letters just received from the president of the student council of the school and a prominent member of the city council, they ask that the government give these pre-matriculation students, fourteen in number, all of whom are veterans, a better break. They feel that the psychological effect of change of domicile from one city to another 110 miles distant, with the fear of unsuitable housing accommodation being found, the change of instructors, adapting themselves to new surroundings, with their examinations or tests only two months away, is disturbing, to say the least, and might easily result in their failing to pass their examinations. I believe that these veterans and their families have earned the right to better treatment. The government can well afford, in view of the small cost, to continue this school until the expiration of the term in June. Surely the government can at least be as generous as the instructors who, I am informed, have offered to continue to teach without salary in order that these men, the pick of this school, may have every opportunity to finish without hindrance to their studies. Mr. Speaker, through you, I again urge the ministers concerned to continue this school until the end of June when the veterans will have completed their studies and finished their tests.

Mr. LEWIS MENARY (Wellington North): Mr. Speaker, speaking in the house last session I put on record that I was in favour of increased pensions for persons over sixty years of age. I also stated that there should be a contributory pension plan. If each Canadian desiring this type of pension were to contribute one dollar a month from the age of twenty-one, or $12 a year, at the age of sixty he would have contributed $468, and if the government duplicated these payments the amount would be $936. If the man or woman lived to the age of sixty and kept up the payments, with the government contributions, they would amount to $1,785.62; and at sixty-five years of age the fund would amount to $1,906.47. The contributor should then receive $50 a month without any means test.

We must remember that our people to whom the government would start to pay these annuities were born in the seventies and eighties of the last century. Many of them started to build their homes around 1900 to 1910. They struggled to build their homes and rear their families through some trying periods. Surely, in view of the great development of her resources, Canada will not continue to allow her people to suffer want or hardship as they come to the eventide of life. These people have helped to make Canada what she is today, a great and prosperous country. In this connection I wish to put on record an item from the Guelph *Mercury*, one of the leading papers in western Ontario. It says:

> Years ago old age pensions were looked upon as the rankest kind of socialism. The view of many persons was that every man should provide for his old age or suffer the inevitable consequences.
>
> In this enlightened age, however, it is recognized that many factors enter into success or failure and that the most well-intentioned person in the world may suffer reverses that will leave him, in the autumn of life, with not enough funds for actual existence, and the same set of circumstances holds true, of course, for women.
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> It may be argued, of course, that the old age pensions set something of a premium on carelessness, and might have the effect of making

many persons less anxious to provide for their idle years. Perhaps in some cases this will be found true. It would not be sufficient reason to refrain from continuing and increasing this payment of such first rate importance to a large number of deserving people.

According to statistics, the life expectancy of every Canadian is a little over sixty-four years, and it is said that the number of persons in the United States who are over sixty-five years is growing year by year. Even if our average expectancy of life exceeds that of any other people, it falls far short of what we have a right to expect. It is generally accepted that the life span of any animal should be approximately five times the length of the period required to reach maturity. A horse, for instance, matures at five years of age and lives to about twenty-five. A man should live to 100 years of age, if he is well looked after and is free from worries when he is sixty. There is considerable evidence to support the conclusion that man should live a healthy and active life until he is 100 years old, but the confusion, competition, disappointment, and unhealthful factors in their surroundings have made many city dwellers old at the age of fifty. We have good reason to believe that the average resident of our rural districts lives to a greater age than the average city dweller, but we are living in an industrial era. Science has not yet succeeded in guaranteeing good health into the old age of any of our citizens and, until this is achieved we, the members of this parliament, must not shirk our duty. We must adequately provide for all those Canadians no longer able to care for themselves.

In spite of the time that has elapsed since the end of the war, many urgent problems of our veterans remain unsolved. Many of them are finding it difficult to establish themselves in civilian life. In my riding hundreds of men have come back from the armed forces. Some have gone into farming, others into industry and business. I wish to mention three cases. A young lad of eighteen went overseas. He was a butcher, and when he came back he started in the butcher business again. He found it hard to get meat from the packers, and he could not secure a slaughtering permit. Our friends of the wartime prices and trade board said that he did not qualify for a slaughtering permit. He wrote to me to see if I could help him. I took the matter up with the wartime prices and trade board and they listed the various things which the young man could not get. This young man had a wife and they were both trying to establish a home. One day I dropped in to see him and he was very much discouraged. I asked him how much meat he had had lately and he replied that during the last three weeks he had had one-quarter of beef—one-quarter of beef to run a butcher shop. He said that the hospital rang up one morning and wanted 10 or 15-pound roasts. He said that if he had sold them what they wanted he would have had very little left for his other customers. It seems to me that these regulations are making it difficult for our young men to get a decent start in life.

Two other young men in my riding returned from overseas and tried to start an electrical wiring business. They met the same problem, no quota. They had not been in business before. They were helped out through the kindness of a hardware merchant who, since he had been in business for a long time, was able to get some material, although not half enough to keep these two boys going.

Another young man who spent five years in the air force purchased a retail lumber yard in my riding. He informs me that he can get plenty of work, but on account of the various controls the necessary lumber cannot be obtained. Everyone knows that a black market exists in lumber. If controls are taken off, prices may rise but not for long, because the public are shopping around. There is not the wild scramble that took place in war years. The lifting of controls is necessary to help our trade, and it will reroute lumber into legitimate channels. Only by taking off these controls can we help the thousands of returned boys who are finding that even if they purchase a business they are held in straitjackets by controls administered by a lot of bureaucrats who probably would not hold their positions had they been able to run a business of their own.

Various housing schemes have been mentioned in this chamber. I come from a small town of about nine hundred to one thousand people. When I hear speakers mention houses of $8,000, $9,000 or $10,000 I can hardly see the picture at all. Just before I came here I was talking to a merchant. I said: "Clarence, when are you going to move into your house?" He said, "Oh, in about two weeks." I said, "What did it cost you, Clarence?" He has a beautiful little house; it has a cement cellar under all of it, a bathroom with all the necessary fixtures, hardwood floors, and it is built of dressed lumber. It has two rooms upstairs and three downstairs. He said it cost him $4,500. When I hear of the poor soldiers paying $6,000 or $7,000 for a house I do not see how they are going to do so. There is another house up the street built by a Mr. Geer. He has been living in it for about two

months. I understand that it cost him around $4,500, and it is a splendid little house. I was in it and it is well finished inside.

I wish to join with hon. members on this side of the house in support of the stand that all controls, except that of rent, should be abolished. They have become irksome to the people of Canada. All our citizens were willing to help in all ways to win the struggle which engulfed our country in 1939, but now the war is over and we wish to return to private enterprise. Controllers quite often find themselves leaning toward dictatorship and the longer these controls continue, the closer we will approach this form of government which, I am sure, is undesirable to the majority of Canadians.

Mr. ANTHONY HLYNKA (Vegreville): In the course of the present debate several hon. members on both sides of the house have placed their stand on record on the question of freight rates now being heard by the board of transport commissioners. I should like also to take this opportunity to make clear the position of the Social Credit group on this important question, and I assure you, Mr. Speaker, that I shall not transgress the rules of the house.

In the Alberta brief on dominion-provincial relations entitled, "The Case for Alberta" issued in 1938, the social crediters have stated their position clearly on the question of freight rates as recorded on pages 142 to 178 inclusive. In the thirty-six pages devoted to the discussion of freight rates many examples of inequities under which the prairie provinces have suffered are cited. It is pointed out, for example, that the people of Alberta are paying the highest freight charges of any province on goods exported from other provinces, and on practically all incoming goods. This results in an addition to the cost of production, which addition is not recovered in the price the farmer receives from the sale of his products, thereby diminishing his income. It also results in a smaller return to the farmer.

Recognizing this discrimination against the western provinces, "The Case for Alberta" recommended equalization and a downward revision of freight rates structure. That, Mr. Speaker, remains the position which members of the Social Credit group take. In other words this group will keep on pressing for equalization and complete overhauling of the freight rates structure in Canada. However we are also not unmindful of the fact that it is in the interest of our national economy to have smoothly and efficiently running railways. If it can be shown that it is absolutely necessary for the railways to have additional revenue to operate efficiently we would not object to any justifiable adjustment, but definitely not at the expense of the prairie provinces or of any one part of Canada. The load should be borne equally by the whole nation.

To determine the financial position of the railways we would urge that a royal commission be appointed, on which western agriculture should be given representation, and that the problem be studied and reported back to this parliament. It would be up to the government and to the railways to supply the house with accurate figures as to the earnings and operation costs to enable members of parliament to vote intelligently. Failing this, the Social Credit group will oppose any upward revision of the freight rates structure and will continue to press for a downward revision and equalization of freight rates for the entire country.

Mr. C. W. HODGSON (Victoria, Ont.): In taking part in this debate I do so with a great deal of interest as a lumberman and on behalf of my constituents. Like practically every other hon. member, I have received many letters and telegrams on the decontrol of various products, especially lumber. In doing so, I am at the same time taking the chance of putting my own business in the bad graces of the control bureaucracy, because it is well understood that the department can make it very miserable for anyone in the lumber business if they so desire. However I shall confine my few remarks mainly to timber control. Timber control has become the home of the greatest swivel-chair bureaucracy of all times. They are becoming red-tape specialists. They have added more rigid control in the past year than we had during the whole time of the war period.

As regards control experts, somebody has defined an expert as one who is seldom right but never in doubt. I suggest that a good definition would probably be that they are just ordinary people away from home. At any rate, they set up a price of approximately $40 for hemlock. Now, anyone who knows anything about lumbering will realize that hemlock cannot be produced in Ontario or Quebec for that price. The net result has been, first, that lumbermen have been forced on the black market in different respects, and, second, that they leave their stands of hemlock and work in other species out of which they can make some profit. Therefore hemlock which is needed so badly for housing, is not being taken out. The lumbermen of today are sound business people, very few of them being fly-by-night opportunists.

As far as exports are concerned, I believe the government has to allow the exporting of lumber to some degree, I would say about forty per cent, because in the eastern part of Canada you have lumbering that depends on the export trade, as the freight haul to central Canada is too great compared with the distance to the ocean and the United States. The same applies to western Canada, British Columbia in particular.

Central Canada does get and use some British Columbia lumber, generally large and long square timber at large and long prices, or the low end, which they have a surplus of and can afford to sell at cheaper prices.

Then for Ontario and Quebec, exportation is mostly of selects, first and seconds in the heavier stock of hardwoods, which has always been in the export trade and not used to any great extent in Canada, and definitely not in housing. No. 2 and 3 com. hardwood is used in the manufacture of flooring.

I say, therefore, that the exporting of lumber does not affect our housing schemes to the degree for which it gets credit. The whole question of housing, or any other industry for that matter, is production. Therefore, if encouragement can be given to the lumber industry to produce, and a feeling of good will established, rather than the sour, disgruntled taste which is in every lumberman's mind against controls, that encouragement should be given, because lumbermen feel that, since they stayed with the ship through the war, they should now have some relief.

In my constituency there are veterans and others who have gone to the bush to take out logs, but now they find that they cannot get nails and other necessary materials with which to build homes. There are no supplies in the country. In fact, there is not a storekeeper in the country who has a nail to sell. While the war was on, we put up with controls and did our best to produce lumber under those conditions. Now that the war has been over for two years, there is not the same patriotic feeling prevailing among producers. In my riding there are five mills that are not taking out lumber this year and this will mean a difference of five million feet in one riding alone. If the same thing happens throughout Canada there will be a considerable falling off in production, running into hundreds of millions of feet.

Two lumbermen from my constituency have gone south for the winter. One, who is in Texas, wrote to me a few days ago and said that roping steers in Texas is a lot more fun than roping logs in four feet of snow and thirty degrees below zero. The other is in California. He said he was going to start picking oranges and would probably make enough in that way to pay his trip expenses.

The less efficiency there is, the more controls are added. For instance, if a lumberman wants to sell lumber to one of his old reliable customers or anyone else, he must submit four copies of the order to the timber controller's office for approval and authorization. Then, as each car goes forward, he must send a copy of each invoice for each car to the timber controller's office. They reserve the right to inspect these cars at destination or anywhere en route. Quite often a car is held for several days waiting for the inspector to arrive, and when he does finally get there, the chances are he knows very little about the grading or inspection of hardwood lumber, for out of every ten inspectors who were put on this job there were about two who could qualify to grade lumber.

Timber control was first inaugurated in 1940 and price control came in eighteen months later. H. R. MacMillan was the first controller. He knew the lumber industry and he got around him men who knew their jobs. True, he was a dollar a year man and he stayed only one year. In a little over six years of timber control there have been seven controllers. Only two of these knew anything about the lumber business: MacMillan and Nicholson. The last one or the immediate past one, was a hotelkeeper; then he practised law and then became a soldier. He was married to a well known politician's daughter, rapidly rose in the service, and became timber controller.

Since the war, the employees MacMillan brought into the timber control have mostly gone back to their old jobs, and today we have an organization operating that has only one employee who knows or ever had anything to do with the lumber industry. I ask the minister to name one, except this old gentleman in the person of Malcolm MacNickol, who did have something to do with a small retail business, but his experience was only in one phase of the industry and his outlook is limited.

All the outstandingly able assistants have retired, and the persons replacing them are men not overly confident of their ability to compete in industry and who would rather keep their hand on the doorknob of some patronage job.

When timber control came in as a war measure the government passed orders in council to ensure that controls would be free from political interference, influence or dicta-

tion, and each control immediately set up machinery for consultation with industry. Now with the close of hostilities, two years past, with the emergency of war forgotten, what have we? A general admission that decisions on matters of control are matters of political policy.

The decision as to whether or not control should come off lumber is not a question of whether or not it is to the interest of the lumber industry, but rather how it will affect votes. An analysis of these facts will give the answer to why controls are failing and will continue to fail. They have outlived their usefulness, and their continuance is a menace to the success of the whole lumbering economy as well as a handicap to other industries dependent on lumber supply. The lumber industry has no say in and no responsibility toward a control policy, and there is a condition of chaos and frustration developing, which can be corrected only by abolishing control and a return to unhampered free trading.

The lumbering business is a basic one, which holds a top-ranking position in the Canadian economy. Rather than that being the reason why decontrol of this great industry cannot be judged on its merits, it is all the more reason why forest products should be freed from restrictions which are hampering its activities.

Surely the industry has first-hand knowledge of the harm which the continuation of controls is working, and can judge the effects which the elimination of controls would have. The war is over; the justification of control regulations no longer exists, and the quicker obstacles to the normal lumber trade are removed, the better. Wage controls have disappeared and food prices have increased. The very fact that the industry is unanimous for decontrol should be sufficient. At the Canadian lumbermen's convention held in Montreal on February 10, 11 and 12—the largest group of lumbermen ever assembled in Canada—they met in separate groups representing six different organizations of the lumbering industry, which included bush and sawmill operators, retail and wholesale dealers and so on. They voted in separate groups for the removal of controls and in the general meeting they were unanimous to have controls removed at once, there being not one dissenting vote out of over fifteen hundred delegates. Can the government honestly believe that such a bureaucracy as has been set up in Ottawa can run all the lumber industry in Canada better than the lumbermen themselves? I am convinced that, unless controls are removed immediately, there is now and will be further decreases in the production of lumber. This will cause a decrease in employment in the industry itself and in every other industry depending upon a supply of lumber. Certainly, viewed from a sound business or economic point of view, the prompt withdrawal of controls would be a sound and logical move. I put some questions on the order paper on February 13, but they have not yet been answered so that I cannot tell what the cost of controls is. I know, however, that it runs into a great deal of money that is unnecessarily spent.

I wish to say a word now on taxation of soft drinks. The soft drinks industry collects forty per cent, or two cents a bottle, and pays it to the dominion treasury. It does not help the industry and, moreover, the soft drinks are paid for mostly by children. The hon. member for London said that the baby bonus was given to help the children to buy soft drinks, but he added that it was like giving a child ten cents to go to bed and taking it away from him while he slept.

There is another aspect to this matter. While the war was on, our children were buying war savings stamps and they contributed a great deal of money to the war requirements at that time. I think it was a good thing because it created in the child a sense of patriotic duty. I know when the children came home with their first stamp they were pleased, and when they got enough for a certificate they were pleased and proud of it. Now, when they go to the store and have to pay that two cents extra on pop, I wonder if this government are helping the confidence of the children and that patriotic feeling? Are they not creating a feeling in the child's mind that he is paying for his own bond all over again with every bottle of pop that he consumes?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I wish to intervene briefly in this debate only for the reason that certain members of my staff have been attacked personally; otherwise I would not take the remarks of my hon. friend seriously. I think the attack on the timber control is the first honest attack that has been made in this house. It is an attack by a lumberman defending his own pocketbook. That is at least an honest position.

Mr. GREEN: Mr. Speaker, that remark is out of order and should be withdrawn.

Mr. HOWE: Not at all. I am going to develop the subject.

Mr. GREEN: The minister is imputing motives there, and his statement should be withdrawn.

Mr. HOWE: Not at all. What about his attack on the honesty of the timber controller?

Mr. GREEN: The minister has no right to attack a member of this house or to impute motives to him, and that is exactly what the minister is doing. The trouble with the minister is that he cannot take his medicine, either tonight or any other night.

The ACTING SPEAKER (Mr. Golding): I am sure the minister will withdraw anything that can be considered as an attack on the hon. member.

Mr. JACKMAN: Do you not consider it an attack? We should like to have your ruling.

The ACTING SPEAKER (Mr. Golding): I would ask the hon. member to take his seat for a moment and allow the minister to explain.

Mr. JACKMAN: On a point of order—

The ACTING SPEAKER (Mr. Golding): The minister was just rising to speak. I would ask the hon. member to just wait for a moment or two.

Mr. JACKMAN: If the minister is speaking on a point of order, I shall take my seat and await my turn.

Mr. HOWE: Mr. Speaker—

Mr. JACKMAN: No. Are you speaking on the point of order?

Mr. HOWE: What is the point of order?

Mr. JACKMAN: Mr. Speaker, the point of order is—

Mr. HOWE: Sit down. Mr. Speaker is on his feet.

The ACTING SPEAKER (Mr. Golding): Are you speaking on a point of order?

Mr. JACKMAN: Yes. The minister has been asked to withdraw an imputation he made against my hon. colleague.

Mr. CHEVRIER: That is not a point of order.

Mr. JACKMAN: Then, to be precise, it is a question of privilege. The minister has been asked to withdraw a remark which was an imputation against a colleague of mine in this house. I ask you, Mr. Speaker, if you will make your ruling and ask the minister to withdraw his imputation.

Mr. HOWE: Speaking to the question of privilege, Mr. Speaker, I would remind you that the hon. member said that he was speaking on his own behalf; he started off by saying that he is a lumberman and speaking on his own behalf.

[Mr. Green.]

Mr. GREEN: He did not say anything of the kind.

Mr. HOWE: If he spoke on his own behalf, he was speaking as a lumberman and on behalf of his own industry.

Mr. HODGSON: The minister is altogether wrong. I happened to have managed a business last year which did not make any money, and it was a lumber business.

Mr. GREEN: I want to point out very clearly that the minister has said that the hon. member was speaking to protect his pocketbook.

Mr. SMITH (Calgary West): Absolutely.

Mr. GREEN: That is imputing motives of the worst kind; and no member of the house, from the Prime Minister down, has a right to make a statement of that kind. I submit to Your Honour that the minister must withdraw that statement.

Mr. HOWE: Mr. Speaker, I again submit, with all due respect, that I think I am simply repeating the hon. member's own words.

Mr. COCKERAM: Withdraw.

Mr. HOWE: Withdraw nothing.

The ACTING SPEAKER (Mr. Golding): When the point of order was raised by the hon. member for Vancouver South (Mr. Green) I did state that I felt sure that, if the minister had said anything that was an attack on the hon. member who had been speaking, he would gladly withdraw.

An hon. MEMBER: But he did not do so.

Mr. HOWE: Mr. Speaker, I will substitute for my words, the exact words used by the hon. member.

An hon. MEMBER: No, no; withdraw.

Mr. COCKERAM: We want complete withdrawal.

Mr. HOWE: What did the hon. member say? Will he tell us again what he said? He said he was speaking on behalf of his own business.

Mr. GREEN: On a point of order, Mr. Speaker, the minister must withdraw that remark. We want your ruling as to whether the minister must withdraw.

Mr. HOWE: Not on your say-so, though.

The ACTING SPEAKER (Mr. Golding): If hon. members will allow the minister to proceed, I think we shall have the matter straightened out.

Mr. GREEN: We want a withdrawal.

Mr. FRASER (Peterborough West): You said he was to withdraw the statement, Mr. Speaker, and he has not withdrawn it yet.

Mr. HOWE: Mr. Speaker, I was simply in my humble way quoting the exact words of the hon. member. If I misquoted them, I withdraw the misquotation. But he said he was speaking on behalf of his own business.

Mr. HODGSON: No, I did not.

Mr. MACDONNELL (Muskoka-Ontario): The lumber industry.

Mr. GREEN: Mr. Speaker, speaking on a point of order, where any member of this house, from the Prime Minister down, says that an hon. member is speaking to protect his pocketbook, that remark should be withdrawn; and we would ask that the minister withdraw that remark without any qualifications.

Mr. HOWE: Well, I will withdraw, Mr. Speaker. I have no desire to prolong the discussion. However, I do say this. This country is made up of several classes of people. It is made up of lumbermen, who deserve a great deal of consideration. I have a great many friends in the industry and have a high regard for the part that the industry is taking in the industrial life of Canada. But there are two considerations: one is the price for the lumberman and the other is the price for the consumer. The dishonest part of the advocates of decontrol of lumber is that they do not state both sides of the question. They state the effect on the lumbermen, but they do not state the effect on the consumer. I will say this for the industry: the delegations that visited me are fair about the thing. When asked what the effect on prices will be, they say that prices will go up.

Mr. GREEN: So will production.

Mr. HOWE: Well, I will talk about production in a moment. There is some advantage in decontrol, and I am not at all begoted on the subject, but is decontrol worth the price from the consumer's point of view? How much will prices go up? I can tell you this. The controlled price of lumber for domestic purposes on the west coast, the wholesale price for square timbers and boards, is $29 a thousand. The wholesale price of the same timber for export is $81 a thousand. The difference there is $52 a thousand. I have never had anyone suggest to me that, with decontrol, the domestic price would not go up to the export price. That is the effect on the consumer. In other words, decontrol of west coast timber would probably result in an advance of $52 a thousand. That is a high price for the consumer to pay. What is the difference today in the interior? Not as great, but a matter of perhaps $30 to $35 a thousand. A similar differential applies throughout eastern Canada. Surely there is a real argument as to whether the great bulk of our people will profit more from decontrol and an advance in price than they will under the present system. Another factor that is associated with control is the power to direct lumber into essential construction. My hon. friends opposite have been very firm in their opinions that the construction of non-essential buildings should be prohibited. I have said several times that that is impractical, for the reason that no group of men can agree with each other as to what type of building is unessential. But we offer as a substitute for prohibition the support of the government in routing materials into essential building.

That power, of course, would disappear with decontrol of the articles affected. Another freedom that people are not willing to part with—people in the lumber industry—is the right to export timber. If lumber is to be decontrolled, it should be wholly decontrolled. That is, take off all controls and let the Canadian people bid against the outside buyers. In other words, if lumber is going to the world price, let it be a free market. No member of the trade will agree to that. They say, "No, you must take off the kind of control I do not like, but keep the control I do like." That is the position of my hon. friend, who said today that we should maintain export control, and let 40 per cent of the lumber in this country be exported, which is a little more than is being exported at the present time. That would mean a tight domestic market and no control, and a certainty that the domestic price would go to the export price.

That is the other side of the argument. I represent an average constituency in this country. I have lumbermen, lots of them. I have pulp and paper mills, and I have consumers. And I believe that the present course is the course that represents the greatest good for the greatest number and fair treatment for all.

My hon. friend says that the lumber industry is unanimous in asking that the controls be removed. In that he is entirely mistaken.

Mr. HODGSON: The convention did.

Mr. HOWE: I do not know who attended the convention; but the delegation which came to see me, to bring a message from the convention, were positive in saying that they did not represent the manufacturers on the west coast. I happen to know that the largest

manufacturer on the west coast made a trip throughout Canada, met all his dealers, and expressed his opinion to his dealers that the control now being maintained is in the best interests of the industry, and should be continued.

Mr. GREEN: It is only the big fellows who say that.

Mr. HOWE: Well, the big fellows cut a very large proportion of the lumber in this country.

Mr. SMITH (Calgary West): Is that H.R.?

Mr. HOWE: Yes. And I have also had a visit from his largest competitor, who has told me much the same thing.

Mr. SMITH (Calgary West): Who was that?

Mr. HOWE: Do I have to tell that? Perhaps Your Honour will give me a ruling.

That is the view of one section of the industry. And the two firms I have mentioned cut perhaps twenty per cent of all the lumber cut in Canada. They have a stake in the industry which leads them to be very careful of the view they take of a temporary situation. Those responsible men believe that controls should be maintained, and that the domestic price should not be permitted to advance to a level which will discourage consumption in this country.

There is another matter that must be considered, and that is that the government is doing its best to produce low-cost housing in Canada. It is all very well to say to me, "It would only run about $200 or $300 on a house." I am frequently told it would only amount to $200 or $300 on a small house. But let me tell you this, another $200 or $300 on a house is a severe load on the man who buys that house and expects to pay for it over the next twenty or twenty-five years.

Now, is the lumber industry justified, for the sake of the added convenience and extra profit that would follow the removal of controls, in demanding that a burden of higher lumber prices be placed on the people of Canada? I do not believe it.

As for the men who have been administering timber control; it has not been an easy job. In fact it has not been an easy job to administer any control. But from the time timber control was instituted, lumber has been available for essential work in this country, and it has been available at a reasonable price. The administration of any control has been increasingly difficult as we draw away from the period of war. But to hear a gratuitous attack on the men who have administered this control, such as I have heard tonight, is something I resent deeply.

The hon. member referred to one man who started as a hotel-keeper and married the daughter of a politician. Incidentally, the politician referred to is one of the members of the high court in Quebec, with a long Conservative background, and is now one of the most distinguished judges in that province. The timber controller referred to left to take the vice-presidency of one of the large pulp and paper industries in this country. So I think my hon. friend should have given him credit with knowing a little bit about the timber industry; otherwise he would hardly have been chosen for his present post.

Mr. HODGSON: Where did he get his experience?

Mr. HOWE: Where did you get yours? Our timber controllers have all been men who have put forth great effort and, I suggest, contributed great skill in the administration of timber control. I have never heard anyone stand up in public before and accuse those men of dishonesty, as my hon. friend did tonight. It is all very well to accuse—

Mr. HODGSON: I did not do that.

Mr. HOWE: You certainly did.

Mr. HODGSON: On a question of privilege, I ask you to withdraw that. I did not accuse them of dishonesty.

Mr. HOWE: My hon. friend said he was risking his business to stand up in this house and discuss timber control because—

Mr. COCKERAM: Because they put him out of business.

Mr. HOWE: They are perfectly honest men who would do that, are they? We have a great concert, over here, people liking to talk, thinking these men are not defended, and then resenting it when something is said about it.

Mr. GREEN: And with a great little dictator across there, too.

Mr. HOWE: I am not going to discuss this matter further. I just wish to dispel the idea which has been advanced by the hon. member for Eglinton (Mr. Fleming), and by the last speaker, that the removal of timber controls would bestow blessing on all our citizens, without cost. It may be well to call attention to the cost, which I think the ordinary consumer will wish to understand before he takes a position regarding the removal of timber controls.

Mr. FLEMING: May I ask a question?

Mr. HOWE: When I get through. My hon. friend talks about the great expansion of industry that would occur with the control removed. Let me tell him this, that if he will look at production figures for the last three years he will find that a substantial expansion in the industry is taking place under timber control. And I venture to say that a removal of the controls would not be a great factor in that direction. I say that with a good deal of knowledge of the situation, because I have been studying it carefully for the last several years.

Having said all that, I will say that the subject of the removal of controls is not closed. The situation is being carefully studied. And if those in charge of timber control and those responsible for the administration of the department come to the conclusion that the position will be improved by the removal of control, then control will be removed. But when I say that, let me say that we see nothing in the immediate situation which would lead us to that conclusion.

Mr. FLEMING: The question I would like to put to the minister is this: Is he willing that a parliamentary committee should be appointed to hear at first hand the evidence of such persons as he has referred to concerning the proper time for the removal of timber controls?

Mr. HOWE: I have always understood that the government is responsible for the administration of this country, and that its custom is not to delegate that responsibility to a committee. The government must make its own decisions as to its policy with regard to timber controls.

Mr. FLEMING: I take it the answer is "no"?

Mr. HOWE: That is right.

Mr. A. W. STUART (Charlotte): Mr. Speaker, I did not intend to take part in this debate, but there have been certain information and criticism brought to my attention which I feel must be answered in order that the citizens of my own county may be protected. One department that has been severely criticized by many hon. members of the opposition during this debate is the Department of Veterans Affairs, and the Minister of Veterans Affairs (Mr. Mackenzie), particularly with regard to veterans housing.

I have listened attentively to the debate, and the impression I get is that in their criticism hon. members have left with many of us on this side of the house the definite idea that contractors and those engaged in the building trade in Ontario and western Canada should hang their heads in shame. It has amused me to see how cleverly an attempt has been made to place on the government's doorstep full responsibility for the condition of some veterans houses in western Canada and at the same time protect those directly responsible for this condition—the contractors themselves.

We in eastern Canada have had a shortage of building materials owing to the greatly increased demand, and in many cases it has been found necessary to make use of inferior materials in the building of veterans homes and those for civilian use as well. The home owner was fully aware of this condition, and I am convinced that in no way were these particular materials camouflaged in order to deceive the purchaser. Many veterans homes are under construction in the county of Charlotte and many have been completed. I feel confident that the contractors responsible for the erection of these homes were conscientious and that the welfare of the veteran received every consideration.

If the information disclosed during this debate relative to veterans housing is correct, deceit and fraud are evident in the building trade in western Canada and some hon. members of this house are endeavouring to camouflage the evidence, no doubt for political purposes, by placing full responsibility upon the government. If those directly responsible, that is the contractors, were dealt with as they should be the citizens would be apprised of those involved in this nefarious and shameful practice. By such action, not only would the veterans be protected but so would our entire population. I am pleased to state that in Charlotte county this condition does not exist, and in no way could those responsible for the building of veterans houses be associated with those engaged in a like occupation in western Canada.

We have on this side of the house a veteran of the last war who is directly connected with the building of veterans homes. If such accusations as have been made in this house were directed against the company with which he is associated they would not go by unanswered. Knowing him as I do, I can assure the house that he would not tolerate any man or any group of men who would take unfair advantage of any veteran.

In one breath hon. members opposite are saying that the government should reduce the personnel of departments in order to cut expenditures. Then suggestions are made to increase the staff by way of inspectors to watch over these big-hearted contractors in their own constituencies who are defrauding these young

men who, as one member stated, went into the very jaws of death to protect you and me and have come back to receive nothing but lip service. That lip service is coming from some of the hon. members opposite who, during this entire debate, have been most critical, but who have made few suggestions of a constructive nature.

Unlike those engaged in the building trade in western Canada, the Minister of Veterans Affairs—I think all will agree with this—is very much interested in the welfare of thousands of returned veterans in every part of this great country. If he and his department received a little more cooperation from hon. members, instead of criticism which is not of a constructive nature, it would be of great benefit to the war veterans and would save much time in this chamber. In no way do I wish to criticize those responsible for the decision made to repair veterans homes at the expense of the taxpayers. The veteran should never be obliged to replace faulty materials or correct defects of any kind.

However, if it is found that the contractor is legally responsible, irrespective of the type of contract, be it cost-plus or management fee, he should be held accountable for all defects. Under contracts of this kind he is protected from loss in every way and the Canadian public should be given the same protection. Under such contracts it is not excusable that faulty workmanship should be found, especially if the contractors have the interests of the war veterans in their hearts. Six or seven hundred thousand dollars is a lot of money for the public to furnish to cover up blunders and defects which apparently are evident in the construction of veterans homes in certain parts of this country. I regret that such a situation does exist. I regret also that citizens of this country are associated with such a scandal. Men of this type are not good citizens, and I have little regard for any person who would deliberately and ill-advisedly wrong, cheat or defraud a veteran of this dominion who has given so much for which we should all be thankful. In many cases the particular veteran may have left a brother on the other side.

When the hon. member for Lambton West (Mr. Murphy) was speaking on this subject he gave the name of a construction company responsible for housing conditions in his riding, and he had this to say, as reported on page 108 of *Hansard:*

> I regret to say to this house that my friends built these houses, and I feel very badly because I must stand up here and tell the house and the people of Canada of such home construction for veterans. But if I am to be entitled to be elected to represent my constituency, or any other hon. members are entitled to be elected, our duty to our country comes before our duty to our friends.

[Mr. Stuart.]

I congratulate the hon. member for Lambton West upon his outspoken statement. If detailed information were given in every case the publicity might be responsible for a great improvement in the housing situation. I disagree with only one portion of his statement. The hon. member stated that his friends had built these houses. I would hesitate to say that men responsible for defrauding the war veterans of this country were my friends. If they will take advantage of a veteran, what chance has a civilian?

In conclusion, may I say that we have very little in the maritime provinces that people in central and western Canada can make use of. We have always been obliged to look elsewhere for our export markets, but in this particular case, if it is impossible to find honest men in the construction business in this part of Canada, or honest inspectors, come down to the maritimes. I assure you that that type of man can be found there. True to maritime tradition we are always ready and willing to give a helping hand.

Mr. REAL CAOUETTE (Pontiac) (Translation): I begin by congratulating the hon. member for Saint Maurice-Lafleche (Mr. Hamel) and by seconding the motion which stands in his name on the order paper, requesting that the Labour-Progressive party be outlawed in this country. I also approve the proposal of the hon. member for Chapleau (Mr. Gourd) who asked that a Canadian representative be appointed to the Holy See in Rome. These are worth-while measures which we should all support. There are hon. members and Canadian newspapermen who have deemed fit to spill ink over the motion which stands in my name on the order paper and who have written insolently about it; the resolution, so they claim, is Utopian, senseless.

An hon. MEMBER: That's true.

Mr. CAOUETTE: It may be senseless, like some hon. gentlemen opposite. In any case, those people maintain that the motion calls for ridiculous expenditure, in order to obtain senseless results; that it is an example of demagoguery and anything else you like.

Mr. Speaker, instead of speaking of the amount of money that such a programme would entail for the country, the government and hon. members should ask themselves whether it would be possible to produce sufficiently to implement such a programme.

We must take into account Canada's potentialities and distribute with logic and intelligence the corresponding amount of money to

Canadian consumers. Such is the nature of the motion I have placed on the order paper. I mean that we should give our money to Canadians before giving it to foreigners.

Mr. LESAGE: If that is what you want, then it is all Greek.

Mr. CAOUETTE: Mr. Speaker, the hon. member for Terrebonne (Mr. Bertrand) has assailed the Electors' Union from all sides—

An hon. MEMBER: Excellent.

Mr. CAOUETTE: —as well as its provincial chairman and the member for Pontiac. Let us examine his speech and its implications.

An hon. MEMBER: Don't be afraid.

Mr. CAOUETTE: The hon. member for Terrebonne—

An hon. MEMBER: He did well.

Mr. SPEAKER: Order.

Mr. CAOUETTE: The hon. member for Terrebonne intimated that a member of the Union of Electors was reluctant to divulge his identity, that he did not wish to say that he belonged to the Social Credit group. Well, Mr. Speaker, I am a representative of the Union of Electors in this house, and I am not afraid to say that I am one hundred per cent in favour of the Social Credit movement. I wish to make it clear that I am a supporter of the Social Credit philosophy.

An hon. MEMBER: At last, he has shed the mask.

Mr. CAOUETTE: Some people claim that the Social Credit members of parliament are imperialists, that they are warmongers; that has nothing to do with the Social Credit policies. If an English-speaking Catholic from Ontario is for conscription or if a French-speaking Catholic from Quebec is against conscription, that has nothing to do whatever with the value of the Catholic religion. One could not say, for this reason, that the Catholic religion is objectionable in Canada. That has nothing to do with the doctrine itself. Well, we, members of the Social Credit group, have an economic doctrine, a logic and a philosophy which meet the aspirations of human beings; we suggest that money must be made the servant of man and not the reverse; we want as much money in circulation in peace time as there was in war time.

Everybody knows what the government did for this country in the last war; but now that the war is over, we want these things done for Canadian citizens.

Mr. LALONDE: May I ask the hon. member a question?

Mr. CAOUETTE: You may question me to your heart's content after I am through.

Mr. LALONDE: Would the hon. member say if he favours controls to permit equitable distribution of the money he mentions?

Mr. CAOUETTE: I favour an equitable distribution of such money as the country's production can supply.

An hon. MEMBER: When you say that, do you also mean that you favour controls to attain that end?

Mr. SPEAKER: Order.

Mr. CAOUETTE: For its wartime needs, the government did not wonder if there was enough money in Canada. It felt it should do everything that was physically possible in the way of providing armaments, guns, rifles, and uniforms. Everything that is physically possible for warfare must be made financially possible. And at no time during the war, Mr. Speaker, was the production of guns, or even of a single cartridge, ever hindered by a lack of money. Money was raised according to possibilities or rather to the necessity with which we were confronted to produce what was required for the destruction of mankind or the protection of our fellow citizens—

Mr. PARENT: By taxes.

Mr. CAOUETTE: Yes. Since my honourable friend speaks of taxes, I should like to remind him that in 1939 the government could not raise any taxes because the people had no money. It was essential, first of all, to put money in the hands of the taxpayer. We all know how this was achieved. War was used as a means of distributing money to the taxpayer and then came taxes—

Mr. LESAGE: And loans also.

Mr. CAOUETTE: Yes, and loans also.

Mr. Speaker, the honourable member for Terrebonne stated that the programme of the Union of Electors did not make sense and in order to prove that the people had no faith in it he quoted *Le Droit* of Ottawa and the *Frontière* of Rouyn. If my honourable friend wishes to get information from people having no knowledge of its subject let him do so, let him consult people who have never made any study of our doctrine, but at the same time he will become the laughing stock of the whole province and that is only natural.

Let us ask ourselves if Canada can produce sufficiently to guarantee to the aged of 60 and over $60 a month; if Canada can produce sufficiently to guarantee our invalids $60 a

month when they have reached the age of 21, and if Canada can produce sufficiently to guarantee each and every citizen decent means of livelihood. That is why we request a $20 monthly national dividend.

An hon. MEMBER: That is not enough!

Mr. CAOUETTE: This is where we have trouble making some people understand.

An hon. MEMBER: That's not surprising!

Mr. CAOUETTE: That a company should distribute to each of its shareholders at the end of the year, the percentage to which he is entitled in the profits earned, seems entirely logical. This is effected through dividends. That a credit union should distribute a dividend at the end of the year to each of its members, on the basis of his shares also seems quite in order. It is the thing to do.

An hon. MEMBER: That is the salary earned by capital.

Mr. CAOUETTE: Why admit that much? If everyone agrees, it must be right and well organized. Coordinated work always gives good results. Think, for instance, of the Noranda mine in my constituency. Some miners are working at 7,000 feet underground, others at 2,000 feet, others at the surface, or at the mill or in offices—

Mr. LALONDE: Others are in their second childhood.

Mr. CAOUETTE: And work is well organized—

An hon. MEMBER: Yes, sometimes.

Mr. SPEAKER: Order!

Mr. CAOUETTE: As it is well done and well organized, what happens at the end of the year? The mine brings profits, which is normal; however, the mine would not be as profitable if work were not well organized and every miner were continuously employed at 7,000 feet underground, and the mine owner would also be in the hole.

In society, Mr. Speaker, work is organized. The hon. members did not make the shoes that they are wearing; they were made by shoe manufacturers. They did not make the clothing that they are wearing; but they are clothed just the same. There are numerous social organizations. We have doctors, we have all kinds of other professional men; all work for the common good, for the general interests of society. Because work has been organized in an intelligent way in Canada there are surpluses at the end of the year. Because the work is organized intelligently, the production system is excellent in Canada.

Mr. LALONDE: We have a good government too.

Mr. CAOUETTE: The production system suits us, because the organization is well balanced. At the end of the year the production exceeds the existing purchasing power.

An hon. MEMBER: Not at the present time.

Mr. CAOUETTE: Yes.

An hon. MEMBER: Not at the present time.

Mr. CAOUETTE: Yes, production exceeds the existing purchasing power inasmuch as we can afford to ship goods to other countries. We have a surplus.

We then export our surplus, but the question is: To what use should we put it? The difference between a country's total production and total purchasing power must be balanced with new money, not money created by bankers but money created by a responsible government, a government that should be sovereign. And that surplus production must not be distributed the world over but among the people of Canada; it should be made available to everyone. It should be computed after deduction of salaries and profits. It is not a question of cutting out salaries or profits. The new currency should be based on the difference between total production and purchasing power, and it should be distributed among all Canadian citizens, the whole Canadian people, in the form of a national dividend. I feel that this is merely logical, Christian-like and even democratic. It affords the means to ensure freedom and security to all Canadians.

An hon. MEMBER: The dividend is not high enough.

An hon. MEMBER: Eighty dollars!

Mr. CAOUETTE: It was stated in the house by the hon. member for Terrebonne (Mr. Bertrand) that:

> The resolution moved by the hon. member for Pontiac and the programme of the Union of Electors border on Utopia, and I might even say on election hysteria.

He stated a little farther on that the resolution appearing on the order paper was simply an electoral platform. That is exactly what I stated before the election. Hon. members will, however, own that it is very seldom that arguments uttered in the course of an electoral campaign are repeated in parliament. I do it. Before the election, the electors of my constituency had this very programme. They sent me here to promote it. I shall do

it in spite of everyone. I shall demand what the electors of my constituency will ask me to place before parliament. It may happen that members opposite will ask what our programme is as the hon. member for Terrebonne has done. After having criticized the programme of the Union of Electors, he spoke of a very interesting matter:

The Social Credit party claim that their financial methods would settle the problem. Can people in their right senses be taken in by such statements? No. The people want old age pensions at an earlier age.

What difference is there between this demand and ours?

. . . old age pensions at an earlier age, allowances for the needy crippled and invalids, gradual reduction of taxes . . .

The hon. member wanted to know how our programme could be implemented while reducing taxes. It is by reducing them gradually, that he intends to implement his own programme:

. . . continued employment and fair working conditions, opportunity for ownership, in short, happiness within the framework of a sound and progressive economy.

Mr. Speaker, I believe the hon. member for Terrebonne will eventually occupy a seat on this side of the house.

Mr. BERTRAND (Terrebonne): No danger of that.

Mr. CAOUETTE: Our programme tends to enhance everyone's happiness. Is it possible to know, in Canada, whether the country is in a position to produce goods for the Canadians? The heavy production of weapons, during the war, in our country, is a well-known fact. When the hon. member for Terrebonne stated that the Social Credit members were in favour of extending help to strangers, during the conflict, he was forgetting that, after the war, they wish to give money to the Canadians. That is a matter he has not mentioned. That is one thing which he has not yet been willing to admit. Mr. Speaker, Canada has increased her wealth during the past years.

The honourable member then spoke about the change in seasons; he has said the Social Credit changed with the seasons. I must say that it is rather the Liberal party and the Liberal policy that have undergone such a seasonal change during the last 25 years.

Mr. Speaker, we want Canada to be for Canadians. Hysteria or demagogy does not enter the picture. Demagogy comes from those who in the past have caused the people to suffer hardships. We do not want that, we want Canada to be for Canadians. Let us consider history, and we shall see that all those who have tried to help the people have been branded as demagogues, or worse. As far as we are concerned, we shall carry on our work throughout the country, and in the near future, Mr. Speaker, we shall have in Canada a government responsible to the Canadian electors, a government which will promote their interests rather than be concerned with election funds.

Mr. LALONDE: The honourable member will kindly allow me to ask him just one question, because I am seeking information. If I am not mistaken he said a few moments ago that the government should make up for the lack of money through the issue of currency. Would he be willing to explain the machinery to be used in that connection and tell us whether that money circulated throughout the country would create debt?

Mr. CAOUETTE: That money would be absolutely debt-free, since it would be created by a sovereign government. Instead of asking bankers to issue money, or to produce it in the form of loans to the government, the state would itself create money based upon the actual wealth of the country. I mean that such money would correspond to that wealth.

Mr. LALONDE: May I ask a further question?

(Text):

The hon. member for Pontiac (Mr. Caouette) is reproaching us for not studying social credit. I would like to know something about it but he does not want to answer my questions.

Mr. JOHNSTON: We have been telling you about it for twelve years.

Mr. A. E. ROBINSON (Bruce): Mr. Speaker, the riding I represent is considered a rural constituency. The people who make up that riding are good people, a hard-working, industrious people. We have not been noted for becoming millionaires but we get along wonderfully well under the circumstances. Our largest town has a population below 3,000 most of the year, and an added population of summer visitors running into the thousands. My home town of Kincardine is holding its centennial celebration in 1948, and I assure you, sir, that you and any of the members of this house who can visit with us on that occasion will be welcomed and royally entertained, not only by the members of this house who were born in Bruce but also by the descendants of the early pioneers who made our county one of

the best counties in Ontario and also one of the best known counties throughout the western provinces.

It will be readily understood that in a rural riding like Bruce we have an active federation of agriculture. I have heard it said that the federation of agriculture is leaning toward socialism. Such is not the case in Bruce. I do not believe it is true of the top officials of the federation, and if the federation were leaning toward socialism it would surely defeat the object of the organization, which is to help out organized agriculture. What agriculture needs is not so much being helped out as to secure a square deal in comparison with other occupations in Canada. We have worked hard through the war years and have not received overpayment for the number of hours worked. At the present time there is not the inclination amongst young people to settle on the many vacant farms which we have. I am sure that if the farmers were getting a square deal financially there would be many of these young people who would settle on these vacant farms, and that in turn would go a long way toward relieving the acute housing shortage which this government seems unable to remedy. We know the conditions that prevail on the majority of farms. The owners are mostly elderly men who no longer have strength to carry on. They cannot get help. They cannot sell. The demand for farms is limited, and prices offered are generally lower than the value of the buildings, with nothing left for the land. They cannot rent, so they do the only thing left. They seed down the land and turn it to pasture, and the productivity is less than a quarter of what it might be. This condition prevails over most of Ontario. During the war the farmers did a wonderful and heroic job. With less help they produced a great deal more. They did it by working almost impossible hours. On Bruce farms the work week has averaged between eighty and ninety hours the year round, and no holidays. In summer, Sunday work has been from three to five hours; in winter, six to eight hours. Farm women, many of them with little families, with no help in the house, and too often without the conveniences that in towns are considered an everyday necessity, drove tractors, tended poultry, milked cows, helped with the haying and harvesting, and somehow found time besides for a good deal of social life. The average farmer is, I may say, not interested in an eight-hour day but more interested in an eight-hour night.

Such conditions are not good for the future welfare of Canada. There is talk of this government spending millions of dollars in opening up more farm lands in Canada. Would any government not be wise to try to make the present farmer's lot such that we could make 100 per cent use of the good land that is now available? Who ever heard of a merchant failing in business when surrounded with farmers who were flush with money, free from debt and adding a little each year to their bank accounts? Prosperity among farmers does not depend on crops altogether but on their having money in their pockets, and able to pay cash down for everything they need from town. The outlook for farming under the present government is not good, but I see a ray of hope from the fact that we, the official opposition, have as our leader the hon. member for Neepawa (Mr. Bracken), who understands farming from all angles. He has made a life study of it. He is eager and willing to fight for farmers' rights from the drop of the hat. I am predicting that our hon. leader will be the next Prime Minister of Canada. When that time comes, and may it be soon, I assure you, Mr. Speaker, that the farmers of Canada will get their fair share of the national income.

Before this debate on the speech from the throne finishes, I wish to say a few words on decentralization. I shall avail myself of that opportunity at the present time. Decentralization is not only a big word, but also a big subject. It is a subject that is not receiving enough attention in Canada today. Nearly every move the present government has made has been toward centralization. During the war this government encouraged the building of large industries in the thickly populated areas. Most of those industries are peace-time industries at the present time. The government missed a wonderful chance by not placing many of these new factories among the smaller towns and villages; thereby the migration would not have been to the larger centres, to the detriment of the smaller rural places.

Working conditions in those smaller centres would be much better. The working men and women would not have to travel up to an hour, or more, to go to and from their work. They would have that extra time to spend with their families, most likely in their gardens at home. Walking on their way to work they would know and be able to say "hello" to everyone they met. They would be able to live much cheaper. They would not be holed up in a crowded apartment that makes unnatural living conditions. They would be able to raise their kiddies as God meant them to be raised. Kiddies are not even welcome in most apartments by landlords today. Conditions in large centres are working toward

holding down our natural increase in population. Natural increase beats any type of immigration that any country can think of. From the point of view of raising a family, the large congested city stinks. There is not even grass on the school playgrounds. Even our undertakers today furnish synthetic grass for our dead. Can we not supply a little of the natural grass for our children?

We have had much labour unrest in Canada, and probably will have more. Working conditions in smaller centres do not supply the same incentive to labour to go on strike as that given in the larger centres. In the smaller centre, each worker is not considered a cog in the wheel of industry, but is considered a wheel in the machinery that keeps industry running. I would suggest that any government would do well to find ways and means to encourage decentralization.

Before I finish, I wish to make a few remarks on what I think is an important subject, which is health. We must give better health services to rural municipalities; not because we of rural municipalities wish to be pampered but because it will be to our nation's benefit to give that better service. For the past five years our rural infant mortality rate has been from fifty-five to sixty per 1,000 live births, compared with thirty to forty-two per 1,000 live births in our urban areas. Really to bring home what these figures mean, I must say that we in Canada were greatly concerned over the loss of 41,000 of our youth in the six years of war; but in the same period of time, Canada has lost 130,000 infants in their first six months of life. Our infant mortality in Canada is nineteen per cent higher than in the United States. Are we as a nation not as hardy as the United States? Are we as a nation not as capable of giving our youth a chance to live?

There is a book entitled, "Canadian Mother and Child", edited by Ernest Couture, M.D., and published by the authority of the Minister of National Health and Welfare. It has been my privilege to mail a copy of this book to hundreds of mothers in my riding of Bruce, and in all cases those copies are greatly appreciated. Our youth is the greatest asset that Canada has today, so let us give them the service they deserve.

Mr. R. E. DROPE (Northumberland, Ont.): In rising to take part in the debate, I should like to offer my congratulations to the four new members who were elected since the last session. Many subjects have been discussed in this debate, but very little has been said about our basic industry, which I am sure we all agree is agriculture. The constituency of Northumberland, which I have the honour to represent, is situated in central Ontario east of the city of Toronto, bounded on the south by lake Ontario and on the north by Rice lake and Trent river. It is a great agricultural county dotted with many splendid towns, villages and tourist resorts that attract visitors from many other parts of the United States as well as from other parts of Canada. The waters of Rice lake and Trent river teem with fish of many varieties. We have also one of the best skiing runs in Ontario, situated on No. 45 highway eight miles north of the town of Cobourg.

Dairying is carried on extensively in this county. I wish to say something about the butter and cheese situation as it affects our county and nearly all parts of Canada. The Canadian people are great consumers of dairy products when they can get them. What do we find in the matter of butter? We have been rationed and controlled until we now find the government importing large quantities of New Zealand butter. The controlled prices of butter have been so low that farmers have been driven out of producing churning cream. The dairy farmers have been working long hours in milking cows and have not been compensated for the time they have put in. I am satisfied that our dairy farmers, if given a reasonable price, can produce all the dairy products that we require in this country. The cost of living index is being held at the expense of the farmers of Canada. This situation must be corrected; after all, our nation cannot exist without food and our food must first come from the farms.

Much has been said about keeping good times in this country. My opinion is that, if the agricultural industry is prosperous, it will provide the best market for the manufactured goods of our towns and cities. I was interested in hearing the Minister of Reconstruction (Mr. Howe) tonight telling us something about the lumber industry and what the controls that are being kept on meant to the people of Canada. Apparently he forgot to say that the administration of those controls cost the tax payers of Canada considerable money. Many articles have advanced in price even with controls. Higher prices across the line in the United States are bound to affect this country. Price control tends to reduce competition and thus tends to remove the stimulus of increasing efficiency and service to the consumer. We have a great country here. A great many of our returned men are coming back and taking their places in all walks of life. I am just wondering how the returned soldier is going to make out with these houses which have cost so much, and about whose poor construc-

tion we have heard so much. I hate to see the young soldier saddled with the high price which these houses have cost. I am quite satisfied that, if they had been built under free enterprise, we would have had a better job done and would have had more houses.

I see that my time has expired, Mr. Speaker, and I think that is about all I wish to say tonight.

On motion of Mr. Weir the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 10:55 p.m.

Tuesday, March 11, 1947

The house met at three o'clock.

PRIVILEGE

MR. POULIOT—REFERENCE TO ROUTINE PROCEEDINGS AND ORDERS OF THE DAY

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I rise to a question of privilege concerning the orders of today. On page 3 is a special order which reads:

No. 1. March 10—Resuming the adjourned debate on the motion of Mr. MacNaught for an address to His Excellency the Governor General, in reply to his speech at the opening of the session, and on the proposed amendment thereto to Mr. Bracken, and on the amendment to the amendment of Mr. Low.

I wonder if the amendment to the amendment of Mr. Low is to the proposed amendment to Mr. Bracken? I think the record should be corrected, because it is an insult to one of our colleagues to have him amended.

MR. KNIGHT—PRESS REPORT OF SPEECH OF MARCH 4

Mr. R. R. KNIGHT (Saskatoon City): Mr. Speaker, I rise to a question of personal privilege in regard to an incorrect report in a Canadian Press dispatch of March 5, of a speech I made in this house on March 4, about the Hudson bay route. The dispatch, as used in certain western papers, notably the Regina *Leader Post* and the Saskatoon *Star Phoenix,* quotes me as saying that there never had been any suggestion that the port handle any products other than grain. I have never at any time said anything like that. Not only did I plead in general terms for exports and imports through Hudson bay, but at pages 1007, 1008 and 1010 of *Hansard* I specifically named certain commodities other than grain that I considered suitable as exports, among others wood pulp, cattle, poplar wood, feeds; and as imports, woollen goods and coal from the maritimes and diesel engines from England.

This is an unfortunate error; the fact that the speech was not mentioned here in the east and that the reports of it were garbled before being sent to the west might give rise to suspicions not justified by the facts. I hope it will be corrected.

PRESS REPORT ATTRIBUTING TO POSTMASTER GENERAL SPEECH OF MEMBER FOR TERREBONNE

On the orders of the day:

Hon. ERNEST BERTRAND (Postmaster General): I wish to make a correction. On March 6 the hon. member for Terrebonne (Mr. Lionel Bertrand) made a very good speech in French and it was commented on by the Ottawa *Citizen.* That paper attributed the speech to myself. I wish to give the hon. member for Terrebonne full credit for his good speech.

CORPORATION TAX

INQUIRY AS TO APPLICATION TO COOPERATIVES

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, may I direct a question to the Minister of Finance, of which I have sent him notice? Will the five per cent corporation tax to be imposed by provinces with dominion-provincial agreements apply to cooperatives?

Hon. DOUGLAS ABBOTT (Minister of Finance): Yes, it will apply in the same way as the dominion Income War Tax Act applies to them.

TAXATION AGREEMENTS

COST OF CARRYING OUT OFFERS MADE TO THE PROVINCES

On the orders of the day:

Hon. DOUGLAS ABBOTT (Minister of Finance): The hon. member for Muskoka-Ontario (Mr. Macdonnell) asked the other day to what extent the estimates would have been increased had they included an amount necessary to carry out the offer which has been made to the provinces. I assume he meant if all the provinces accepted the offer made. The amount for 1947 would be in the vicinity of $157,000,000, on the basis of preliminary estimates of population and gross national product.

BUSINESS OF THE HOUSE

INTERNATIONAL TRADE CONFERENCE—EMERGENCY POWERS LEGISLATION—EASTER RECESS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Prime Minister, of which I sent him notice earlier in the day? Will the government give consideration to the possibility of setting aside some time soon in order that the house may have the opportunity to discuss Canada's part in the London trade conference, and the implications of the proposed reimposition of imperial preferences next June?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend's question gives me an opportunity to touch on an even larger matter, namely the business of the house, and how we are to get through with it.

As hon. members know, at the beginning of the session the government indicated that it wished priority given to all measures relating to the extension of the national emergency transitional powers, and if possible to have the debate on the address postponed for a short time on that account. The first two weeks were taken up with a discussion of the emergency measures. Then the debate on the address was continued. That debate thus far has taken altogether, I think, two weeks. There was a request, similar to the one which my hon. friend the member for Rosetown-Biggar has made, by another hon. gentleman, the hon. member for Peel (Mr. Graydon), that time be allowed for the consideration of Canada's participation in the making of the treaties with Germany and Austria. That took up one day. We are now faced with the fact that we have a very short time left between now and the end of the month at which time the emergency transitional powers act ceases to be in force. The government must in every way seek to protect the situation it is faced with in considering how these powers can be extended for the time that in the public interest is absolutely necessary. For this reason, after very careful consideration, the cabinet has come to the decision that we must ask the house to allow us to give precedence and priority to this emergency legislation, that it must have the right of way and from now on be considered before everything else because of the appalling situation that would arise should it happen that some of the powers that are needed to run on into the new fiscal year had not been secured in time.

Yesterday a question came up about the Easter recess. Since that time the whips have met together and I understand that all parties in the house wish to have a longer rather than a shorter period for a vacation. I believe there are individual members in some of the parties who prefer it otherwise, but I am told that the majority in every party would prefer to have the Easter recess from April 2 to April 14 rather than for the shorter period. In deference to the wishes of all parties in the house I would now ask the Clerk to have a resolution placed on the order paper that when this house adjourns on Wednesday, April 2, it shall stand adjourned until Monday, April 14. That means that the early part of April will not be available for the discussion of these emergency measures. That will bring us to the middle of April before that discussion could be proceeded with. In these circumstances the Minister of Justice (Mr. Ilsley) before the end of the present week will have to indicate to the house how he hopes to be able to make sure that the necessary legislation will be enacted in a manner that will, as I say, protect the whole situation.

The government is anxious to have as many subjects debated as possible and questions will arise from time to time which will be important, but if this session is to be concluded before the autumn, we shall have to clear the decks of emergency legislation so that we can get on with the other business of the session. I am sure that more progress will be made in the end if we take this one important matter of emergency legislation and stay with it until we have cleared the slate of the various measures relating thereto. For this reason the government wishes to have the house proceed from now on—and I will have a word to say about the word "now" in a moment—with the emergency legislation.

I have said, from now on. There was an agreement among the leaders of the parties that an effort would be made to bring the debate on the address to a conclusion today. It was an agreement made of course with the understanding that no leader can speak for his whole following, that unless the following is willing to fall in line with an agreement of the kind it may not be possible to carry it out. I am told that there are a number of hon. members who still wish to speak in the debate on the address, that up to the present there are twelve whose names have been handed in, and there may be more as the debate proceeds. That means that if we are to get through with the debate today in accordance with the agreement, the speeches will have to

be short. Should they run beyond the hour of eleven, perhaps the house would give its consent to sitting until twelve this evening to see if we cannot finish by that time, with the understanding that the vote itself would be postponed until tomorrow but would be taken tomorrow afternoon. If, however, the debate is not concluded today, if the house does not give its consent to having the debate concluded if necessary by continuing to sit until midnight today, with the understanding that the vote be taken tomorrow, we shall just have to proceed tomorrow in accordance with the agreement made some days ago among the leaders of the different parties, and continue with the emergency measures, allowing the continuance of the debate on the address to stand over to another time.

In the circumstances I hope it may be possible for hon. members to find some way to accommodate the wishes I believe of the house as a whole by bringing the speeches in the debate on the address to a conclusion today. In this connection may I point out that the United Kingdom parliament has found it necessary to adopt two practices which up to the present at any rate we have not adopted in this house. One is the use of closure. As applied in the parliament of the United Kingdom, closure has come to be regarded as a natural and necessary method of proceeding to get through with the amount of business that has to be transacted. In this parliament we have sought to avoid the introduction of closure, and I hope it may not be necessary for some time to come.

The other practice is that with respect to debates that are likely to take any length of time, no matter how important they are, there is an agreement made between the leaders of the parties as to the number of days the debate shall take. The number of days having been agreed upon, the amount of time to be allotted to the different parties is also agreed to. It is then left to the whips of the parties to arrange among the parties themselves what particular speakers are to have the preference or to speak for the party in the time which is allotted; but the minute the time agreed upon is reached, speaking in the debate ends. We have not adopted that practice as yet. If we can get agreement among the leaders, and have the followers support it, for a definite time for a debate, then we may not have to take the further step, but if we cannot reach these matters by agreement something will have to be done in the way of amending the rules so as to make possible the conclusion of debates on particular subjects within a definite time.

[Mr. Mackenzie King.]

Mr. GRAYDON: May I suggest to the Prime Minister that he take into consideration the possibility of taking some of the work from the overburdened Commons and giving it to the other place, which seems to be able to take a week or so off from time to time? We are not quite so fortunate in that respect. I make that suggestion with the idea of expediting the work and bringing about a better balance. I think the senate itself would welcome the suggestion, as well as hon. members of the Commons.

Mr. MACKENZIE KING: May I say to my hon. friend that his remarks would apply to the general business of the house, but with respect to this emergency legislation I think he will recognize that it must be initiated in this chamber. With regard to other matters, it has been arranged in so far as we can to have a number initiated in the senate. Whereever possible and advisable, that will be done.

PENITENTIARIES

INQUIRY AS TO IMPLEMENTATION OF ARCHAMBAULT REPORT

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): I wish to address a question to the Minister of Justice, of which I have sent him notice. Can the minister say whether vigorous steps are being taken to implement the Archambault report, particularly the recommendation which deplores the mingling of youthful and first offenders with hardened criminals?

Some hon. MEMBERS: Put it on the order paper.

Right Hon. J. L. ILSLEY (Minister of Justice): It is difficult to give a full answer to such a question on the orders of the day. I think I shall have to leave the discussion of penitentiary matters until either the estimates come up or legislation is introduced. There will be a bill introduced.

SALMON FISHERIES

CANADIAN REPRESENTATION ON INTERNATIONAL COMMISSION

On the orders of the day:

Mr. H. G. ARCHIBALD (Skeena): I should like to address a question to the Minister of Fisheries, of which I have given him notice. Does the government contemplate any changes on the international salmon fisheries commission so that organized fishermen shall have direct representation?

Hon. H. F. G. BRIDGES (Minister of Fisheries): I suggest that the hon. member put his question on the order paper, and it will be answered in due course. I cannot see that at the present time it is of an urgent nature.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, March 10, consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Low.

(Translation):

Mr. GLEASON BELZILE (Rimouski): Mr. Speaker, the election in Pontiac brought great hopes in the hearts of a little group of men forming what is called the Union of Electors. At long last, a voice expressing their beliefs was to be heard in this august chamber of the Canadian parliament. Every one was living in impatient and joyful expectation.

In the first days of the session, a rumour spread in parliamentary circles. The hon. member for Pontiac (Mr. Caouette) was to speak on the speech from the throne and woe to the Liberal party.

Eventually, he did address the house. His first speech caused some sensation. He had selected from his electoral speeches those passages which had attracted most the favours and the applause of his electors. The speech was clearly meant for the hustings. The hon. member had nothing original to offer; he repeated well known themes and he had the rare merit of being called to order twice in succession. After all, one should not expect too much from a maiden speech.

Then some of his most fanciful statements having been challenged by the hon. member for Terrebonne (Mr. Bertrand) it was once more rumoured that the hon. member for Pontiac was to speak, this time on the social credit amendment. He spoke once again last night, but I doubt very much that this time his speech, adorned with a picture of the hon. member on the title-page, will be distributed throughout the province. He reiterated these doleful denunciations of the past and made dire predictions for the future. The remedies boil down to empty suggestions and impractical generalizations. He has taken up once more the social credit gospel, pointing out the lack of purchasing power as compared with production. On March 10, however, the leader of his party agreed that during the war, our purchasing power far outstripped our productive capacity; this situation still prevails and has given the Minister of Finance (Mr. Abbott) many a nightmare.

It would have benefited the hon. member for Pontiac to read his leader's speech so as to agree with him on that point.

Mr. CAOUETTE: You know our potential production.

Mr. BELZILE: Like his leader, however, the hon. member for Pontiac stated that his party advocated an economic theory, a doctrine and a philosophy which fulfilled the aspirations of the human individual.

Mr. SPEAKER: Order.

Mr. BELZILE: His leader had said—

(Text):

Mr. SPEAKER: I would again ask hon. members to moderate their voices. I should like to repeat what I said last night. I do not think the house needs loud speakers so much as it does silence.

(Translation):

Mr. BELZILE: His leader had said: "Social Credit is a complete philosophy of life."

Some hon. MEMBERS: Hear, hear!

Mr. BELZILE: That is reported at page 1146. I am happy that the discussion should have been raised to such a level.

Social Credit is therefore based on unity of theory and practice.

We must examine that question from its doctrinal aspects and I shall therefore deal with it from the philosophical and economical points of view.

Philosophically speaking, the Social Credit doctrine is primarily and fundamentally materialistic. This is in no way an insult to the Social Credit party, since its members deliberately say so themselves. They do not however accept any kind of materialism, but claim to offer a delicate epicureanism. They want in the first place to satisfy material needs. It is the same old story:

People live miserably in a land of plenty. The bankers who control money and credit are responsible. Social Credit can produce abundance for everyone by reforming the monetary system and controlling credit.

All those denunciations of capitalism tend to prove that the latter has not succeeded in bringing good living and leisure to everybody. It is evident from the arguments of its supporters that those are the basic elements of the economic and social problem.

Such materialism does not make abstraction of the spiritual factor; on the contrary, since it contends to be a complete philosophy of life; first it aims to satisfy every physical need and the spirit fulfils itself in physical surfeit.

This distinguishes their materialism from ordinary materialism which denies the existence of the soul; it is even more dangerous since it is less crude.

According to the concepts of social credit, society is primarily dependent on the economic fact of consumption; man is essentially a consumer of the products of his labour. It is that activity which distinguishes him from other creatures of nature.

All his other activities not only presuppose consumption but they are entirely dependent thereon. It is consumption which determines those activities including purely spiritual pursuits. Consumption is achieved by means of purchasing power, by means of money. The hon. member for Pontiac expressed himself as follows:

For the Canadian people and for any one of us, having security and freedom means having buying power. When we have money we also have security and freedom. Without money we have neither.

It must be noted that this is a direct cause to effect relation. Purchasing power, that is money, determines not only the economic relations between human beings but the fundamental relations of social life. Like any epicurean, social credit abhors work and seeks by every possible means to reduce it to the bare necessity. I wish to refer in this connection to the speech delivered last session by the hon. member for Jasper-Edson (Mr. Kuhl) in which he denounced the obligation to work.

Mr. POULIOT: He is telling us.

Mr. BELZILE: Because Social Credit would saddle the state with full responsibility for the people's welfare, it advocates a national dividend for one and all.

And there, Mr. Speaker, we have a whole set up of errors and half-truths which make Social Credit a perilous philosophy. It rests on man's baser needs and appeals directly to his digestive system.

Some hon. MEMBERS: Hear, hear.

Mr. BELZILE: It could be briefly described as the philosophy of the belly.

Some hon. MEMBERS: Hear, hear!

Mr. BELZILE: It can only lead to a social order based solely on the material needs of man, and thus, paves the way for the soviet.

[Mr. Belzile.]

Mr. CAOUETTE: Just take a good look at the *Quadragesimo Anno* encyclical; then you shall know.

Mr. LESAGE: One should understand what is being said before venturing any remarks.

Mr. CAOUETTE: That's it; let us follow the example of the hon. member for Montmagny-L'Islet (Mr. Lesage).

Mr. BELZILE: Here is how John Lewis put it, on page 8 of his book "Douglas Fallacies":

(Text):

In so far as he (Douglas) convinces people, often those whom socialist propaganda cannot get near, that capitalism has broken down and must be scrapped, his influence is all to the good.

(Translation):

This theory overlooks the fact that work is the first duty of man as well as a factor of social evolution because of the spiritual qualities it presupposes.

In this connection, I wish to quote from a book by Ferdinand Cavallera, professor at the Catholic Institute of Toulouse. Its title is *Précis de la doctrine sociale catholique* and the following is an excerpt from page 199:

God has made work the means by which man must attain to his full development. Of course, God has placed in the world all elements necessary for the conservation and development of the human race, but He has decreed that through work and work only must man secure those goods, some of which are indispensable, others useful, but answering in the aggregate to all intellectual and material needs of mankind. Any society unmindful of the law of labour is on the road to collective suicide. In some regards, the history of civilization is nothing but the history of labour and its achievements.

Some hon. MEMBERS: Hear, hear!

Mr. BELZILE: The Social Credit tenets also overlook the real part to be played by civil society and which is to promote not individual interests but the common good. To show this, I shall again quote Cavallera. Here is what he said on page 316:

The object of civil society is to promote the general well-being of its members, not of the individual, not of each of its members taken separately, but that which is a necessary accompaniment to the normal development of their activities and on which all the rest is dependent. Although society is not called upon to ensure the happiness of the individual as such, by entrusting him with certain functions rather than others, it is nevertheless interested in the useful and efficient discharge of all functions and must be anxious to inaugurate and maintain a regime where security and the wealth of resources and services may encourage the establishment of general prosperity.

From a purely economic standpoint—I am keeping the discussion on the doctrinal ground

—it must be said that the distribution of a national dividend is impossible outside a communist system.

No permanent control could be established at any stage of private enterprise, without the necessity of introducing further and more numerous controls in connection with all phases of the national economy.

The establishment of a permanent credit control by the state necessarily implies the control of domestic and foreign trade. That is such an obvious truth that the hon. member for Acadia (Mr. Quelch) admitted last night that in the absence of a national dividend the state should, as an alternative, impose a compulsory discount on sale prices, which is tantamount to permanent control of prices. The control of trade necessarily implies the control of production. This government made such an experiment—a very hard and difficult one—during the last war, solely through the use of temporary controls. The state control of the economy is the communist system. This leads to the paradoxical situation where a group of people are promoting, no doubt unwittingly, the establishment of the communist system which they have bound themselves to fight.

Some hon. MEMBERS: Hear, hear.

Mr. CAOUETTE: You have gone a long way in that direction.

Mr. BELZILE: For two fundamental reasons, moreover, the supporters of the present day liberal doctrine cannot grant the state a credit monopoly.

First, the state, should it become the sole dispenser of credit, would thus have at its mercy the whole economic life.

Second, the lack of competition would do away with the possibility of adjusting any mistaken credit policy which the state might advocate.

Such is the opinion of the Reverend Albert Muller, S.J., Doctor of Political and Social Sciences, Professor at the Institut supérieur de Commerce Saint-Ignace, in Antwerp, as stated in page 320 of the second volume of his book *Notes d'Economie politique,* where he sets out and refutes, I believe, the whole economic doctrine of Mr. Douglas. We may have the opportunity of dealing with this again.

In conclusion, I think it fitting to recall, with reference to Social Credit, the opinion of His Eminence Cardinal Villeneuve, quoted in the Quebec *Semaine Religieuse* of November 24, 1938.

Some hon. MEMBERS: Hear, hear!

Mr. CAOUETTE: You awaken quite late!

An hon. MEMBER: That hurts!

Mr. CAOUETTE: No, it is harmful to you.

Mr. BELZILE:

The Church has no objection to Social Credit as a political party, but it is a different story if it contends to be a social doctrine and to create a monetary system. Social Credit is merely a lay organization which has not yet received any commendation from ecclesiastical authorities. There cannot be any question of celebrating mass on the occasion of the Social Credit League's congress.

One of the Social Credit's publicity agents having asked further explanations from His Eminence regarding that statement, his secretary replied as follows. I quote from *Le Droit* of December 13, 1938:

"Regarding Social Credit, His Eminence sums up his opinion as follows:

(a) Alberta's experience, in itself, is not conclusive.

Mr. CAOUETTE: Blame the Liberal party.

An hon. MEMBER: Try to understand.

Mr. BELZILE:

(b) The Church is not concerned in Social Credit as a political party;

Mr. CAOUETTE: Blame the Liberal party.

Mr. LESAGE: And we are proud of it.

Mr. SPEAKER: Order!

Mr. BELZILE:

(c) If Social Credit wishes to bring about social reform, that is of a moral character, His Eminence is of the opinion that it is insufficient and ineffective.

(d) As far as the monetary system is concerned, the Church leaves it to experts to express an opinion. However, the Church feels that it should warn the faithful that Social Credit is not a cure-all for present economic evils.

Mr. LALONDE: Hear, hear!

Mr. CAOUETTE: Which has been advocated by the Liberals.

Mr. BELZILE: I must therefore conclude that the Social Credit doctrine is dangerous in theory, impractical and leads directly to communism.

For the above mentioned reasons, I shall vote against the subamendment.

Mr. CAOUETTE: Here comes the crisis.

(Text):

Mr. E. G. HANSELL (Macleod): Perhaps I shall be able to start, Mr. Speaker, when my friends from "Little Chicago" get through congratulating the last speaker. When the hon. member for Pontiac (Mr. Caouette), who is the newest member of this house, tried to interject a little question to my friends, there was the usual "Little Chicago"

rabble cry. Two can play at that game. If my friends immediately opposite are going to form a "Little Chicago", a gangster club, somewhere over here we might form a "Little New York" and perhaps we shall have a feud some time.

An hon. MEMBER: We will accept the challenge.

Mr. HANSELL: We will accept the challenge, my hon. friend says. I will give my hon. friend the challenge. I listened to the hon. member for Rimouski, but owing to the fact that I do not know the French language, I did not understand very much of what he said. But I will guarantee that I understood as much of what he said as he himself did. My friends opposite have apparently come to life since the hon. member for Pontiac took his seat in the house. Let me say that my hon. friends are not coming to life just for the fun of it. They are not answering the social credit speeches now, after twelve long years, just for the fun of doing it. Social Credit, Mr. Speaker, is on the move.

Mr. LALONDE: Backward.

Mr. HANSELL: I will also say this: my friends opposite too are on the move.

Mr. LALONDE: Forward.

Mr. HANSELL: The difference is that social credit in the province of Quebec is on the move in and my friends opposite are on the move out. The thing which is worrying my friends is not the philosophy of social credit or the monetary technique that is proposed by this group. It is the possibility of losing their seats that is worrying them.

The hon. member for Rimouski (Mr. Belzile) attempted to explain a few things with respect to social credit. May I say to him that it is not social credit he does not understand, although apparently he assumed that he did when he tried to explain what was wrong with it. What he does not understand is the function of money under the present system. My hon. friend is an intelligent man, or at least he appears to be intelligent; and I take it from the Parliamentary Guide that he is intelligent. But there is one thing I would ask him to tell us. How would he propose to distribute to the people of Canada, Canada's great production? That is all I ask.

An hon. MEMBER: Use the railroad.

Mr. JOHNSTON: That is a good answer.

Mr. HANSELL: That is the kind of answer we get from my friend. He says to use the railroad.

[Mr. Hansell.]

Mr. KNOWLES: And no increase in freight rates.

Mr. SPEAKER: Order.

Mr. HANSELL: Mr. Speaker, that is the height of my friend's intelligence.

An hon. MEMBER: What about yours?

Mr. SPEAKER: Order. I would ask hon. members to be quiet and listen to the hon. member who has the floor. He should be allowed to continue his speech without interruption.

Mr. HANSELL: From 1930 to 1939, Mr. Speaker, this country was plugged tight with all sorts of goods and services the people could not buy. My challenge goes out to my hon. friend: let him prove his intelligence by telling us why his government was not able to distribute those goods to the Canadian people. That is all I ask him to do.

Mr. LALONDE: The Tories were in power from 1930 to 1935.

Mr. HANSELL: I did not intend to start my speech in that tone, Mr. Speaker, because I did not know I was to follow my hon. friend; but I have so started. I desire to be constructive in what I have to say; in fact the amendment that has been proposed by the group sitting in this corner of the house is designed to put forth constructive proposals. I should like to keep our debates on that high plane if possible. I think there is perhaps a little too much of knocking the government without at the same time offering some adequate proposals which they might at least try. I saw a little poem in the *Canadian Social Crediter* which expresses my view. It is entitled "The Quarrelsome Trio", and goes like this:

> When you hark to the voice of the knocker;
> As you list to his hammer fall.
> Remember the fact that the knocking act
> Requires no brains at all.

The second and third stanzas deal with the growler and the kicker, and since we want to get through by twelve o'clock tonight I shall omit those. The last stanza reads:

> The knocker, the growler, the kicker,
> Fault finders large and small;
> What do they need for each day's deed?
> No brains, no sense—just gall.

I believe the vote on the amendment we have proposed will show where each party in this house stands in respect to the financial position which has developed in Canada over the years. I wonder where the Liberal party stands in respect to a financial policy, or in respect to anything. The other day the Prime Minister (Mr. Mackenzie King) made a

speech, I think to his own party, in which he said he was going to follow a middle of the road policy. Evidently he stands in the middle of the road. A short time before that I read several times in the press that the Prime Minister had declared himself against third parties. I want you, Mr. Speaker, to put together those two suggestions by the Prime Minister. He wants to stand in the middle of the road, yet he does not believe in third parties. Well, even though he only believes in a second party, where is that second party to stand?

It is all right for the Prime Minister to say he is following a middle of the road policy, but I am certain history will prove that is not the case. Sometimes he is on the left side of the road, and then suddenly he moves to the right side. The hon. member for Swift Current (Mr. Bentley) says he must be tight. Well, I don't know about being tight; all I know is that he wabbles from one side of the road to the other whenever it suits his political convenience. I wish the Liberal party would declare once and for all where they stand. They are either following the proposals of one world philosophy, communism, or they are following the only other world philosophy, democracy. It must be one or the other. There is no middle of the road today; let us not fool ourselves on that; you are on either one side or the other. So let the Liberal party declare openly whether they are for one philosophy or the other, and act accordingly.

Since our amendment was moved, one or two press articles and news dispatches have been sent out concerning it. One news article states that the amendment is rather nebulous, following our nebulous theories. Let us look at it again; surely it cannot be so hard to understand a thing of this kind:

A. The return to parliament of complete and effective control of Canada's financial policy.

There is nothing nebulous or vague about that, and surely it is desirable.

B. The use of the national credit to meet at least some of the financial requirements for essential services . . .

Certainly there is nothing nebulous about that.

. . . and, as a guarantee that this country shall not again be subjected to financial depression...

Surely there is nothing wrong with that, and nothing nebulous about it. It does not take more than a grade 4 or grade 5 standing to understand it.

. . . to make available to each and all Canadian citizens a proper portion of purchasing power which shall not first pass through the usual channels of industry . . .

Nothing hard to understand about that, is there?

. . . this on a basis calculated to maintain a balance between effective purchasing power in the hands of consumers and the aggregate of the prices of goods available for sale.

Is there anything difficult to understand about that? A man comes along with a balance. On one side he places a pound of butter, on the other a pound weight. Is there anything hard to understand about that?

An hon. MEMBER: Where did he get the butter?

Mr. HANSELL: It need not be butter; take something else. There is nothing hard to understand about that. So if we say you put your total production in terms of prices on one side of the scale and the total amount of money required to balance it on the other, is there anything hard to understand about that? That is what the resolution says. What we claim is that there is not sufficient purchasing power coming out of the usual courses of production to buy back all the goods. What we want is an additional amount of purchasing power. There is nothing hard or difficult to understand in that.

Another article suggested that it was our usual pie in the sky amendment. I am not going to say very much about pie in the sky; all I am going to say is that the pie we have is right here on the ground, right here on earth. I challenge that gentleman to write an article proving that our amendment is pie in the sky—

An hon. MEMBER: He was pie-eyed.

Mr. HANSELL: —and that he was not pie-eyed.

I said a little while ago that there is a need for every hon. member of this house to understand a few things in respect to the present system of money. We hear it said quite often that they do not understand social credit. What they do not understand is the present system of money management. The other day when the hon. member for Melfort (Mr. Wright) was speaking I listened with a great deal of interest to what he said. It would not have been so alarming if he had confined his remarks to his own responsibility, but he said, and I quote from page 160 of *Hansard:*

We of this group are convinced that the only way in which we can obtain and maintain a higher standing of living in Canada is by higher production and more equitable distribution. Until we take the necessary steps to obtain that higher production and more equitable distribution we cannot hope to raise our living standards.

I am not finding fault with that, but he went on:

Our whole policy is designed for that purpose.

Mr. BLACKMORE: That is the C.C.F.

Mr. HANSELL: That is the C.C.F. party. The hon. member continued:

Today we see evidence of the failure of free enterprise to do these things. Let me quote to you, sir, from an editorial in the Winnipeg *Tribune*. "With $3,477 million tied up in savings deposits Canadian bankers are able to get only $1,438 million out at work in the form of current loans."

Apparently our free enterprise system has lost its enterprise. It has come to the point where it is dependent more and more upon government, upon protection, upon other forms of subsidy, to make it not free but very much under control.

What the hon. member was saying is that as there is a certain amount of idle money on deposit in the banks, the banks have not lent that money. He assumes at the outset that the banks lend their depositors' money. He does not know, and apparently that would carry through to his group, the way the present money system works. Evidently they do not know the rudimentary principle that banks do not lend their depositors' money. The money that is lent by banks is freshly created money, money that is created by a stroke of a pen, money which becomes an expansion of credit, which goes out in the form of loans and which becomes the depositors' money. Sometimes even intelligent people get the cart before the horse. Some years ago I was debating here when an hon. member on the Liberal side of the house rose to ask a question. I said to him, "Will my hon. friend tell me where money actually comes from?" The hon. member said, "Oh, well, I earn it". That was his answer to my question as to where money comes from. He was a member of parliament. Of course I know that it does not take brains to become a member of parliament, but I suppose the people of the country think that members of parliament are of average intelligence. Yet this member when I asked him where money actually comes from said, "I earn it". He must still believe what my leader said, that storks drop babies down the chimney.

Not long after that I was talking to a medical doctor. I think it can be assumed that a medical doctor would have considerable intelligence, because he probably went to university for a number of years. My friend who said that railroads distribute our production is a doctor, and he must have some intelligence. I asked this doctor that very same question: "Where does money come from; how does it get into existence? How is it born? Where does it come from?—because you do not pick it out of the air." He said, "Oh, well, I have a wheat field out here; that is money." I said, "Do you mean that dollar bills grow on the ends of the stalks?" "Oh, no," he said, "of course not; I sell my wheat and the grain buyer gives me the money." I said, "Where would the grain buyer get the money?" He replied, "Oh, well, well, well, well." That was his answer.

I remember asking another man this same question. He was not a member of parliament and he was not a doctor; he was just a farmer who was reaching the old age pension age. He used to say that he did not know very much because he had gone only to grade four, that all he had ever learned was learned when he was ploughing behind the horses or sitting on the tractor. I said to that old gentleman, "Where would you say money comes from?" The old fellow closed his eyes and said, "Well, let me see; I guess the banks must make it." That farmer was closer to the truth than was the member of parliament or the doctor.

Coming down on the train the other day I met a man in the parlour car. We introduced ourselves and I discovered that he was the head of a million dollar corporation. He asked me about social credit in Alberta, and it was not long before I found that he thought that the banks lent their depositors' money. One of the first principles we have to know is that money is a creature of law. The law permits the merchant or chartered banks to issue that money from the end of a fountain pen. Some hon. members may still think that this is just so much nonsense. I refer them to the report of the proceedings of the banking and commerce committee of 1939, when Mr. Graham Towers, governor of the Bank of Canada, was on the stand and being questioned by Mr. Landeryou. Mr. Towers replied to a question—I shall not read the whole thing—by saying:

A government can find money in three ways: By taxation, or they might find it by borrowing the savings of the people—

As was done by way of victory loans, raising money that was already in existence.

—or they might find it by action which is allied with an expansive monetary policy, that is, borrowing which creates additional money in the process.

The only way in which money can possibly go out is by way of loans from the bank, which is a fresh creation; and conversely, when a bank loan is paid, the money is destroyed, wiped out of existence—believe me. Now I turn to page 238 of the same report. Again Mr. Towers is giving evidence, and I quote

him because surely he should know what he is talking about, and he does. I have listened to him.

Q. Now, if the government went to the bank with $1,000,000 in bonds there would be an increase of $1,000,000 in the amount of money in the hands of the people in the form of deposits? A. Assuming that no other change had taken place in the bank's position at that time, yes.

Q. In other words, when the $1,000,000 worth of bonds is presented to the bank a million dollars of new money or the equivalent is created? A. Again assuming that there is no decrease in its other investments or loans.

Q. I mean at the time, at the moment. A. Yes.

Q. It is a fact that a million dollars of new money is created? A. That is right. Of course, governments should not always go to banks in that connection; they should sell their bonds to investors.

Q. Yes. Now, the same thing holds true when the municipality or the province goes to a bank?

A. Or an individual borrower.

I skip some for the sake of brevity, and quote from a little further down on the same page:

Q. What is the proper way? Is the proper way this, that when I borrow $100 from the bank as a private citizen the bank makes a bookkeeping entry and there is a $100 increase in the deposits of that bank, in the total deposits of that bank? A. Yes.

I will give just one other quotation, from page 287 of the same report. Mr. Towers is being questioned by Mr. McGeer:

Q. But there is no question about it that the banks do create that medium of exchange? A. That is right. That is what they are there for.

Q. That is what they are there for and that is what they do. A. Yes, they do.

Q. And they issue that form of medium of exchange when they purchase securities or make loans? A. That is banking business, just in the same way that a steel plant makes steel.

Q. So that we are clear on this point that our merchant banks do create and issue 88 per cent of the money medium of exchange in common use in Canada today? That is correct, is it? A. Roughly.

"Roughly" does not apply to whether the practice is right or not, but to the figure 88 per cent. It is well for us to understand that one thing or we shall never understand the present financial system, let alone social credit proposals. When I go to the bank to borrow $100, I give my signed note to the banker, the teller puts $100 in figures in my bank pass book, I walk out of the bank and there is $100 more in existence than there was when I walked in. We cannot solve the problems of the day if we do not understand the function and operation of money.

We have heard a great deal in this debate about the need for a planned economy, and I want to deal with that for a moment. My gorge always rises a little when I hear that term "planned economy." I should like to know in the first place who is going to do the planning.

Mr. KNOWLES: Who does it now?

Mr. HANSELL: The point I am trying to make is that in a free society the less planning we have the better. I am saying something more. When we talk about planners making plans, the principle carries with it the absolute necessity of people having to fit into those plans. Suppose for instance, that a section of our country says: We are not going to have the planners tell us what to do; we do not agree with this plan. What would happen then? I heard a prominent speaker, the leader of the C.C.F. in Alberta, in a radio broadcast in that province, attack the premier of Alberta simply because he was not in accord with this constant eager clamour for planning. The leader of the C.C.F. in Alberta said: Look at General Montgomery, look at Churchill, look at General Eisenhower—they had to plan to win the war—how would we ever win a war if we did not plan? That was an excellent illustration, but it was a dead give-away. The only reason why Montgomery and Churchill and Eisenhower and the rest were successful when they planned was that they had armies, air forces and navies at their command, made up of men who had to obey their orders.

Mr. IRVINE: And the only reason why we never won the peace is that we never had anyone to plan that.

Mr. HANSELL: What we are saying is this, that individuals in the aggregate will do their own planning. They do their own planning now by having sufficient money to buy our goods. I had a school teacher come to me once and say: We have to plan production. I said, "What do you mean, plan production?" I said, "Here is a furniture manufacturer; does ne have to plan anything?" Does he? In a free society he would not; in a free society he simply offers his goods for sale, and people with money buy them. If they do not like one kind of chesterfield, they will buy another. That is the planning. Therefore the manufacturer says, "I will have to manufacture certain types of goods, because that is what the people want."

An hon. MEMBER: That is planning.

Mr. HANSELL: It is the money tokens which determine our production. I say, Mr. Speaker, that planning becomes effective only in so far as the people are willing to submit to the plan. But I might say that some of

these planners are not only clamouring to plan our own country and our own lives, but they talk in terms of world planning.

An hon. MEMBER: Why not take in the universe?

Mr. HANSELL: Yes, and rule the Almighty. The greatest plan under heaven is found in the natural order of things, as they were created. Each individual is created a free moral agent. Let the individual plan his own life in peace, in security, and in freedom. This is the difference between social credit and other types of philosophy. Social credit is interested in people, in life and in the individual. The less law, the less control, the less regulation—

The ACTING SPEAKER (Mr. Golding): Order. I would remind the hon. member that his time has expired.

Mr. HANSELL: Thank you very much. You did not need to remind me; I was going to resume my seat. The less law, the less regulation, the less control, the less planning we have, and the more money we have, the better it will be for the people.

(Translation):

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Chairman, the subamendment moved by the hon. member for Peace River (Mr. Low) includes excellent practical suggestions. The hon. member stresses the importance of Parliament's supremacy over boards that are not responsible to the people. He condemns bureaucracy which, owing to the war, has substituted itself for the representatives of the people. Controls over the production of raw materials required for the development of our home and foreign trades have been imposed by bureaucracy. I wish to be fair and to recognize the useful features of the amendment to the amendment moved by the leader of the Social Credit group. However, like many others, I fear "the redefining and clarifying of the constitutional rights and responsibilities of dominion and provincial governments" as expressed in subparagraph D. of the amendment to the amendment. Indeed, Canada's constitution clearly defines the respective jurisdiction of the provinces and of the Dominion government. Personally, I consider that any amendment to the constitution of the country, in contempt of provincial jurisdiction, would violate rights which have been established and recognized for eighty years. This question of national importance offers more than a financial angle. It must be borne in mind that provinces have the exclusive right to legislate in matters of education.

Vainly have I scanned this amendment to the amendment for some reservation of this sacred prerogative. Provinces also have the right to legislate when it comes to safeguarding social welfare and, especially in the province of Quebec, when it comes to maintaining our French civil legislation. Let us not forget that confederation itself established autonomous legislature, each with its own jurisdiction which they may exercise within the limits of the constitutional laws governing them. This very law states in what matters provinces may legislate independently from the federal government. Unless some specific reservation is made regarding provincial autonomy, and I find none in this amendment to the amendment, I greatly fear that a new delimitation of powers, without consulting the provinces, or seeking their consent will lead us straight to legislative union. That is a principle I am not prepared to accept. Still less do I agree with the views expressed in this connection by the hon. member for Quebec-Montmorency (Mr. LaCroix). Speaking in this house on March 4 last, he did indeed recommend that provincial governments surrender the collection of succession duties to the federal authorities. Despite all my regard for my hon. colleague's opinions, I say that such a surrender would be a glaring infringement of provincial rights. Furthermore, it would mean relinquishing into the hands of the federal government a jurisdiction which the provinces have assumed since confederation. Besides, the province of Quebec civil code contains a whole chapter on estates and the revised statutes of the same province comprise several chapters on the collection of succession duties. I am opposed to our French civil laws being superseded by federal government jurisdiction. It is supremely unfair to make the provincial premiers responsible for the abuses that might be perpetrated in connection with the estates of rich people. If the safety deposit boxes of the banks hide any degree of dishonesty, the federal government, who have collected income tax since the first world war, should discharge their duty. Indeed, my good friend, the hon. member for Quebec-Montmorency (Mr LaCroix) admits that the federal government has the exclusive right of supervision over the Canadian banking system. It is therefore the duty of the central government to open these safety deposit boxes to collect any unpaid income tax. Why blame the provincial

premiers for an existing evil for which they are not in the least responsible? I am sorry that extremely unfair statements have been levelled, in this house, at the leaders of the provinces forming the Canadian confederation. What is to result from such conduct? The old proverb still holds true: He who sows the wind shall reap the whirlwind.

Canada participated in the last war in order to protect Christianity, the rights of minorities, freedom and justice. Any government willing to trample on the rights of minorities through the violation of provincial autonomy would ignore the heroism of our soldiers and the war aims of the united nations. Let us not add to the affront that is now directed against us by the Moscow conference, in showing contempt for Canada. That was to be expected. During five years, I have constantly told the government that if we relied on the gratitude of Soviet Russia in the preparation of peace treaties, we would be sure to be disappointed. That is the result of our numerous sacrifices on behalf of a country which has showed its gratitude by conducting espionage activities and creating communist cells in Canada. A few hours ago, a priest and a member of a religious order who were on the staff of one of the leading educational institutions in my constituency, the Laval College in St. Vincent de Paul, were stabbed in the very city of Montreal. It is said that the man guilty of that double crime is 30 years old and that he believes in a doctrine which he expounds as follows: "I wanted to take vengeance on all those who practise the Catholic religion".

How can we not dread the election of a communist member in Montreal-Cartier on March 31 next? Drastic measures should have been taken to prevent such an election. The only legal course to follow was to outlaw the communist party in Canada.

Mr. GAGNON: Hear, hear.

Mr. LACOMBE: The government did not hesitate to take such a stand at the beginning of the war. I then supported them most heartily. Let them outlaw that party. The government will thus render a very great service to honest people, in protecting them against scoundrels of every description. There is a limit to tolerance, especially when it works to the detriment of religion and the nation. Since the amendment to the amendment deals with constitutional rights and the responsibilities of the dominion and provincial governments, I must say that there is another aspect of the rights of minorities which I wish to discuss briefly. Redistribution of electoral divisions was only possible through an amendment to the constitution. In that redistribution we should, in none of the provinces of confederation, take any action likely to reduce to insignificant proportions the representation of minorities, whatever their origin may be. In no province of Canada are there no minority rights to protect. Finally, I wish that my province may increase its representation in the House of Commons, but on the distinct condition that its influence should always be based on truth and justice.

(Text):

Mr. L. W. SKEY (Trinity): Mr. Speaker, I am another member of this house who felt that he must rise to speak in the interests of people and of freedom in the same way that my hon. friend from the Social Credit party (Mr. Hansell) has just done. But before I turn to the three questions which I believe concern Canada most, those of taxes, controls and security, may I take the house back to 1945 just to clear up one small point which was left hanging in the air at that time. It is a question that has been before the Canadian people for upwards of two years now. I refer to the manner in which Canada's war assets have been dealt with, and I wish to quote first the words of the Minister of Reconstruction and Supply (Mr. Howe) spoken on March 20, 1946, as reported at page 114 of *Hansard*. Speaking in the debate on the speech from the throne, he said:

> Rather a significant thing has happened recently. The United States government has tried several methods of disposing of war assets. About three months ago they scrapped all their disposal procedures and set up the exact machinery which we are using in Canada, stating quite frankly that they did so because they thought our machinery worked where theirs did not.

The minister went on to say:

> Therefore the disposal agency in the United States is now the war assets corporation, exactly the same name and exactly the same type of organization that we are using here in Canada.

My reason for bringing up that point is that I happened to pick up a United States newspaper a few months ago and I found in it a detailed explanation of how the American people are allowed to buy their surplus war products. This, I believe, is an accurate report of how their surplus products are disposed of in the United States. An advertisement is placed in the press; the goods to be sold are detailed in this advertisement, and their location is given. Then a date is set, allocating a first period of three or four days. During this first period, the first priority, veterans, men and women, of the armed forces, on presentation of their discharge certificates can enter this dump and have first choice, at the

price set, of goods of the United States war assets corporation. Then, when the veterans are disposed of, another date is fixed later than the first when schools, educational institutions, state and municipal bodies can go to the same dump and purchase war assets. A third date is then set on which the general public are allowed to purchase back from the state the goods which they have paid for in taxation.

I should like to contrast that for a moment with what happens in Canada. I suppose every member of this house and many members of the general public as well as businessmen in the country have had the unfortunate and frustrating experience of trying to buy something from War Assets Corporation in Canada. They will know what trouble they must go to and what little they will find in some cases in return, because they find that in this country war assets have sold back to some business organization, or secondary corporation, the goods that the taxpayers have purchased for the use of our military forces. These organizations can then take a second profit from the country on the surplus goods purchased from War Assets.

I wish here today to refute absolutely the statement of the minister of reconstruction as to the similarity between the United States method of dealing with war assets and that of the Canadian government.

I should now like to turn to the three questions of taxes, controls and security. As I see these three, they are to a large extent inter-related. I see them for the most part as a fight between the government and the individual as to who shall spend the individual's money, as to who shall control the individual's destiny, and as a fight by the individual to secure his economic future in this country. If I may give the house one or two illustrations of this, I should like to turn first to taxation.

When the budget was presented last year, as members of the house will remember, there were words in it to the effect that the purchasing power of the people must be siphoned off because there were insufficient goods and high incomes. At that time, Mr. Speaker, you will remember that we endeavoured to modify the government's taxation policy, because we believed that a less drastic taxation policy would allow corporations and individuals to stimulate business by both production and purchasing. As we have now seen, from the surpluses produced by the budget last year, it was a crushing burden for the Canadian people to bear. With regard to taxation this year, we find that women are no longer seeking employment in business such as confectionery manufacture, laundries, bakeries, cleaning establishments and any number of other businesses, which are hard pressed to maintain their services and their output of goods because the government has seen fit to pronounce only a $250 exemption for married women. These women who have worked through the war years, who are required now to increase Canada's production, to combat inflation, to help the needy in Britain and Europe, find that their husbands are penalized by the fact that they are at work. I wish to say with all the force at my command that this one clause in the budget of last year must be changed. It is injurious to the economic life of Canada. The taxation exemption of married women must be increased.

This excessive taxation has in other ways made the lot of the white-collar worker exceptionally hard. He has been faced with a fixed income, rising prices and rising costs and is beset by many difficulties. It has also affected the wage-earner in that he has lost much of his incentive because, as soon as the taxation deductions begin to come out of his weekly pay envelope, he begins to wonder whom he is working for—his wife, his family, himself or the federal government.

We have seen many cases where difficulties arose from controls. I am going to quote only one today and I acknowledge that I tread upon dangerous political ground when I speak of rent control; but I would speak especially for one part of our population, namely, the aged people who own property and are unable to obtain possession of it. I know of cases in the city from which I come, in which older people who had rented property at the time of the freezing of rents have for many years been unable to obtain possession of this property. Some of them are approaching the pensionable age. They are living perhaps in one room, cooking over a gas burner, and the small amount of security of a home which they had provided for themselves in their old age is being denied them. I would plead with this government especially for some relaxation of the property controls in the way in which they affect old people and prevent them from occupying the homes they have purchased for their old age.

As an example of what can be done, I should like to cite to the house the case of the compulsory war savings certificates, which were undertaken by the British government during the war in order to obtain the necessary revenue. As a matter of fact, I myself hold compulsory war savings certificates for a few pounds and I do not expect they will be paid within the next twenty years. But the

British government has seen fit to pay compulsory savings certificates to people over sixty-five years of age, because they realize that those are the people who need help. Those are the people who are coming to the time in life when their physical strength is perhaps failing them a little. They want help; they want shelter, and they want to enjoy some of the fruits of their savings. I would say to this government that they must revise their rent controls in some way to take care of special cases. I know it is true that the landlord has been beset by rising costs, heavy maintenance and repair work as well as heavy taxation, and at times he has been saddled with inconsiderate tenants; but that condition we must consider to some extent as an offshoot of the war and one which I hope will soon correct itself.

I should now like to turn to price control for a moment, and deal with one phase of it only. I wish to quote from the headlines of the *Globe and Mail* of last fall; under dateline of October 29, we have a report, presumably official, from the wartime prices and trade board. The heading is:

Moderate ceiling rises seen for some goods; may not hit foodstuffs

Farther down in the article we find these words:

Only to a slight extent, if at all, however, will any adjustments affect food prices.

Then just four or five days later, Mr. Speaker, the chairman of the wartime prices and trade board, speaking on the national network of the Canadian Broadcasting Corporation, said exactly the opposite. The headline reads:

Food price rise certain once controls lifted, Reminder from Gordon

So we have a considerable amount of confusion in the mind of the general public, as is illustrated by just these two quotations. In one case they are told that prices will not rise; then the chairman of the wartime prices and trade board goes on the air and tells them that prices will rise. I recall plainly hearing the Minister of Labour (Mr. Mitchell) in this house last summer, tired and harassed as he was by the industrial relations committee, saying time and again that you could not have price control without a measure of wage control. He practically opened and closed that committee with those very words. Well, we have had wage control lifted, and now we are wondering just how long the government will continue to try to fool the people into believing they can actually control prices, because the housewives of Canada know the government have failed in what they tried to do. Yet they maintain an expensive inspection and enforcement body all across the country. If you talk to the people who spend the money, the women, in spite of Mr. Gordon spending five hours on the air, or whatever time it was, they know that he has failed in his mission. It is about time the government admitted it and did something about it.

I need not read any more quotations in that connection. I feel that this price control farce is one of the worst things that has ever been foisted on the Canadian people. To go for a moment into the realm of the Minister of National Health and Welfare (Mr. Martin), one bad feature about it is this. The announcements made by the government are confusing and frightening to the marginal people of this country, the men and women who are struggling along trying to raise families, with perhaps a few dollars over one week and a few dollars short the next week. Every time the chairman of the wartime prices and trade board or one of his minions goes on the air or makes these announcements these people become more and more fearful at these repressive measures. I am sure the people of Canada would prefer the facts.

There is only one other matter I should like to mention, and I shall do so briefly; that is security. The men and women of Canada who are being taxed so heavily and controlled and decontrolled by the government in this frenzied fashion, all have in mind their own personal security. If the majority were to pass judgment on this government I believe they would say, "We prefer to keep a larger part of our income and be the arbiters as to how we shall spend it." I think they feel they would rather make provision for their own future security than trust it to the government. One way in which this could be done would be to have started a national contributory pension plan, so that young men who entered an industry which perhaps did not have a pension plan of its own would be able to contribute to a government scheme of this kind. That would relieve the state of the necessity of caring for them in later years as old age pensioners and give them a feeling of security for the future. Further in that connection I should like to quote again, because I desire to have it appear in what I have said today, what was said by the hon. member for Lake Centre (Mr. Diefenbaker) on March 7 of this year, appearing at page 1114 of *Hansard*. There the hon. member spoke in support of Canadian businessmen. I have been dealing with these matters on an individual basis, but the hon. member dealt with the case of the businessman much better than I could have done. He said:

. . . the businessmen of this country have been pushed around, not only during the war but since, as though they were enemies of the state. Success on the part of the individual is becoming a subject of deprecation. To many bureaucrats a businessman, however honest he may be, is an object of suspicion and in many cases a parasite to be denounced. The honest businessman—

Here I would add the employer of labour, the man who risks his capital, the man who uses his initiative, his brains and his scientific genius.

—no less than the farmer and the worker and other citizens, should be entitled to fair and equitable treatment.

When I began, Mr. Speaker, I took as my main approach the fight by the individual against the government for control of his own life, as long as he does not trespass against his neighbour. I have endeavoured to show that the individual has been denied security because of excessive taxation and hobbling controls. I conclude with the remark with which I opened: that I as an individual, and I know we as a party, stand for the people and their freedom from control by government.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I do not intend to follow the hon. member who has just spoken, except to this extent. He said that, in his opinion, price control was the greatest farce ever imposed on the Canadian people.

Mr. SKEY: If I may interrupt, I mean at the present time; since the war.

Mr. TUCKER: If it was necessary during the war I suggest, Mr. Speaker, that in the period immediately following the war, while there are many scarcities due to the war, it is necessary to keep controls in force and not remove them until a reasonable supply of goods is available to the consumer. Otherwise you are going to have a sudden rise in prices and the consumers, particularly the poorer people who cannot afford to pay higher prices, will be penalized. Surely when the hon. member speaks like that and suggests there must be immediate decontrol of all prices without regard to scarcities, he is not—

Mr. SKEY: I did not say that.

Mr. TUCKER: —speaking for the Conservative party.

Mr. GRAYDON: You are just putting up the usual straw man.

Mr. MACKENZIE: Oh, keep quiet.

Mr. SKEY: On a point of order, Mr. Speaker, I said that the government should take some action to protect the individual, because the government knows these controls have failed.

Mr. TUCKER: I took down the hon. member's words, and I understood him to say that price control was the greatest farce ever imposed upon the Canadian people. Then the hon. gentleman said he meant present price controls. I suggested that if price controls were removed there would be tremendous increases in the prices of certain commodities, and that these controls could be removed only in an orderly way. That is the policy of the government, and I take it that is what he is finding fault with. If all controls were removed the result, of course, would bear heavily on the person of low income, and I said I hoped the hon. member was not speaking for his party, which he said wished to be known as friendly to the common person, and so on, because I do not believe that could be regarded as very helpful to the common man.

I do not wish to go into the Veterans Land Act at any great length because this matter was covered very well and completely by the right hon. minister in his presentation to the house. However, some things have been said and, although I have not the time to deal with them in full, I should like to say a few words in regard to the general picture of the small holdings programme.

The part of this programme that has come under criticism in this house comprises something over 2,600 houses which were built by the Veterans Land Act administration pursuant to a request that they make some contribution to the building shortage. In order to try to help out, they negotiated to build a certain number of houses. They have built between 2,600 and 2,700 houses, but that is only a small part of the whole programme. Up to the end of January, 1947, there were settled by the Veterans Land Act administration 12,023 veterans in full-time farming; 10,308 on small holdings; 417 in commercial fishing; 994 in full-time farming on provincial projects, making a total of 23,742 who have been settled by the Veterans Land Act administration up to the end of last January. Of course it will be seen by the house that 2,600 is only slightly over ten per cent of the total.

I think it will be admitted by all hon. members who have visited these small holdings that the majority of the men on them are well satisfied with the homes they have. At least that expression has been used to me in connection with the ones I have visited. These men realize that they are getting homes that cost them much less than they would have paid if they had got them them-

selves outside of the Veterans Land Act and spent their reestablishment credit. Under V.L.A. there has been a write-off of $1,400, and in some cases they have had the benefit of the write-off of part of a million dollars which was appropriated to cut down costs where they have been raised by unusual conditions. Then they are getting their money at three and a half per cent. Most of them are very well satisfied with the deal they have made.

I fancy that if a careful examination were made of the situation it would be found that no more than four or five per cent of those who got these homes are really dissatisfied which, if correct, indicates that over ninety-nine per cent of the people settled under the Veterans Land Act are apparently well satisfied.

Mr. BROOKS: Your arithmetic is a little off.

Mr. TUCKER: I said about four or five per cent of ten per cent, which is less than one per cent; it is about one-half per cent.

Mr. HARKNESS: That is all supposition.

Mr. TUCKER: It is based upon observations which I have made and I am as much entitled to my own opinion as anyone of the opposition.

There has been some criticism of the delay in regard to the Veterans Land Act administration. One reason for the delay was a desire to avoid the mistakes which marked the administration of the soldier settlement department after the first war.

An hon. MEMBER: You did not avoid the mistakes.

Mr. TUCKER: We have gone a long way toward avoiding them. Again that is my own opinion. I think most people who have studied the situation will agree that the government have gone a long way toward avoiding these mistakes. Another reason for some delay was the feeling that the boys overseas should have a chance to get back before settlement was started on a large scale. Therefore it was impossible really to start settling on a large scale until the late fall of 1945. As hon. members know, safe settlement cannot be indulged in during the winter when the ground is covered with snow, so that meant it was really the spring of 1946 before work could be started on any scale. It meant also that so far there has been only one season in which to do this work. As I say, there have been almost 24,000 settled already, which I think is not a bad record thus far.

There has been some criticism of the houses, but I would say that one of the reasons for the difficulty is that which has faced anyone who has tried to build a house, the shortage of proper materials. Builders working for the Veterans Land Act administration in many cases had to work with inferior building materials. It was never thought that ultimately these houses would not be brought up to specifications, but it was felt that it was better to have houses completed and roofs over the heads of a large number of veterans than to stand upon red tape and refuse to let them go ahead with the building.

Mr. HOMUTH: That excuse is just as leaky as the roofs of the houses.

Mr. TUCKER: I wonder that the hon. gentleman says anything in view of his remarks a few minutes ago. That was the attitude in regard to this matter, that it was better to go ahead. It was impossible in some cases to finish the houses to specifications and representations were made that the houses should be opened so that veterans would be able to get shelter. In many cases veterans were permitted to take possession of houses before they were finished and, therefore, before there was any chance to decide what the final cost would be.

I do not know whether my hon. friends would have said that we should have prevented these veterans from taking possession until the houses were fully finished, even though they were habitable and would provide roofs over their heads. I sometimes think they are quite reckless with their criticism.

Mr. HOMUTH: Nonsense.

Mr. TUCKER: It may be nonsense to my hon. friend; he may be an expert in nonsense, but in any event the effect of that criticism was that the contractors who had agreed to their houses being taken possession of before they were finished found themselves advertised all over the country as having done a poor job when it was understood that they would have to go back and finish the job. They now do not want to give possession of houses until fully finished because they will be held up all over the country as having done a poor job. The result is the department is having difficulty in getting possession of houses before they are fully finished. There is a feeling now that, in view of the criticism which has been indulged in, the only safe policy is to wait until the houses are absolutely finished before possession is granted.

Mr. HOMUTH: Will my hon. friend permit a question? Will he say that there was nothing wrong with the houses built for the veterans of this country?

Mr. TUCKER: The government has never said that. If my hon. friend will just contain himself a moment he will hear what I have to say. We had to use inferior materials and surely that fact will penetrate into my hon. friend's head. I just finished saying that at no time was there any thought that this obligation should not be accepted and these houses be finished according to specifications. But I said it was felt that it was important to give these boys roofs over their heads as quickly as possible, and I think that should have been taken into consideration. As soon as materials can be got to bring these houses up to specifications, they will be brought up to specifications. There has been no attempt to avoid full responsibility in regard to bringing these houses up to specifications and doing a good job.

Mr. MILLER: Will my hon. friend permit a question?

Mr. TUCKER: I do not mind questions as long as I am given enough time.

Mr. DEPUTY SPEAKER: I cannot allow any time for questions being asked. An hon. member is allowed to speak the allotted time of forty minutes, which includes questions.

Mr. MILLER: Do you think you should not be criticized because of your remissions?

Mr. TUCKER: I said that this criticism should have taken account of what was being done. I said that the effect of criticism which did not take that fact into account, which did not give credit to the contractors for having let people into their houses before they were finished, was making them afraid to do that now. Had hon. members risen in their places and said that they realized the houses were not finished, that they realized the government had let people take possession before the houses were ready; had they asked for assurance that ultimately the houses would be brought up to specifications as soon as materials could be obtained, nobody would have found any fault whatever.

Mr. LOCKHART: What about the sites?

Mr. TUCKER: I do not intend to take up a whole lot of time to deal with the question of sites. The very basis of this plan was that it should be agricultural land from which a part of the veteran settler's income would come to sustain himself. It was a land settlement scheme, not an urban housing scheme. It was never intended in the first place that it should be an urban housing scheme. The hon. member for Vancouver-Burrard (Mr. Merritt) complained of the drainage on Lulu island. To complain because some water runs onto the land of a man who is supposed to be going into farming is not fair criticism. The drainage there was also under the control of one of the most competent drainage authorities in Canada.

Mr. PEARKES: Was the same authority responsible for the drainage at Braefoot?

Mr. HOMUTH: Ducks in the cellar.

Mr. DEPUTY SPEAKER: Order. There are too many interruptions. There cannot be intelligent discussion with so many interruptions. Questions can be asked only with the permission of the hon. member who has the floor.

Mr. TUCKER: In reply to the interjection in regard to Braefoot, in spite of the fact that this administration went somewhat beyond the original intention of the act and engaged in building which was very close to an urban character and actually built at Braefoot, it has not sought to evade responsibility even in that regard. We have said that drainage will be put in as quickly as it can be put in. I am sure hon. members realize that a good job really has been done in providing these 2,700 homes and giving possession as quickly as possible to the veteran. There have been a few defects in workmanship and in materials in some cases, but these defects will be made good at the expense of the public as quickly as possible, and where the contractor is to blame he will be expected to make good. Certainly if that is all hon. members wished to say, they could have said it without suggesting that in some way there had been some terrible breakdown of this whole plan of settlement. There is nothing in the whole plan of which this administration needs to be ashamed. It is wide open to inspection. This administration believes that it has done a good job for a veteran. The veteran who has a house under this scheme knows he is much better off than he would have been had he had to go out like the forty thousand other veterans who have done so and buy a house with his own resources.

I wish to deal for a moment with the question of immigration. I think most of us feel that we are in possession of one of the richest areas on the earth's surface. We are in possession of half of a rich continent, and it is not the proper attitude for us to take, in the present state of world affairs, to say that we

are going to bar out of that area large numbers of homeless people who would like to come and make their homes here, particularly the relatives of those who came here and laid the foundations for our country, pioneered it and helped to build it up to the country it is today. They now see their relatives in the old lands from which they came in danger of losing their lives, and they say to us that they would like to be able to give them protection and asylum in this dominion. I would say this to the government in that regard. There has been an extension of the terms upon which people can enter this country, and I appreciate that very much, but some of these extensions should, I think, be much further extended. From amongst the refugees and displaced persons in Europe anybody in this country should be free to bring in a relative and that relative's family. For example, a man might be willing to come to Canada and work as a farm labourer, or he may be needed in mining, lumbering or the logging industry in this country. To say to such a man, you can come here but you must leave your wife and your family over in Europe with its present unsettled conditions, I say that it is not right to offer to take a man in but ask him to leave his wife and family over there. Our government should not be a party to any policy that is based on such a separation of families, particularly the relatives of those who have laid the foundations of our country, pioneered and built it up to what it is today.

In regard to this whole question of immigration it is generally admitted that we shall need immigrants and the we should let them in, but some say that we should go about this in a slow and careful manner. There seems to be the idea that if we go about it very slowly and take in only a few immigrants each year we shall always be able to get the numbers we want, but with conditions as they are in Europe today I venture to suggest that several of these countries from whom in past years we drew some of our best immigrants will not permit their people to leave their shores. I doubt whether the Scandinavian countries will permit their people to leave their shores in any great numbers, and I believe the same is true of Great Britain herself. I am satisfied from past experience that the nations behind the iron curtain, no matter how much those people may want to leave the control of the Soviet, will not be allowed to leave those countries, and let it not be forgotten that we got some of our best settlers from the Ukraine, Poland and some other countries that are now wholly or partly under the control of the Soviet.

So that the situation today is this. There are about 800,000 people, exactly the kind of people who have helped to build up this country, living in camps in Europe today under terrible conditions and they do not want to go back under the control of the Soviet. They are asking for a chance to find a home in the new world, and we urge that when they have relatives here, they should be permitted to come here, even if we have at one time to take in more than we would take in on an ordinary immigration basis. It is a question of either taking them now and saving their lives or they will be lost to us and be forced back where they fear to go. If we take these people in we shall be taking in settlers who have already demonstrated their loyalty and devotion to the cause of freedom. They have picked themselves as desirable immigrants for Canada by virtue of the fact that they are in these camps. The fact they are there shows they are against totalitarianism, against communism, and so on. I urge the government, with all the strength I have, to adopt a policy which will permit a reasonable number of these people to come in as soon as possible. The first step which I urge should be taken is that relatives of those in this country should be admitted at once.

I should like to tell this house about one thing that has pleased me more than anything else since I came to Ottawa to attend this parliament. A delegation waited on the Prime Minister (Mr. Mackenzie King) and the Minister of Mines and Resources (Mr. Glen) in regard to this question of immigration. It showed the good will and the unity which prevails in this country in regard to this matter, which is not only an economic matter and a political matter but a matter of Christianity and humanity. On that delegation on which I had the honour of accompanying the Prime Minister there were represented all the Lutheran churches in Canada. A representative of the Roman Catholics of the prairies, a representative of all the Mennonites, a representative of all the Sudeten refugees, a representative of all the Ukrainians, both Greek Catholics and Greek Orthodox, a representative of the Poles went there in one combined delegation and said to the Prime Minister: "Our relatives are over there in danger. We ask you, without regard to racial origin or religious creed, to allow them to come here to their relatives and find a refuge in this great free country." One of these men said to the Prime Minister: "I never cease to remember that but for the action of your government back in 1938 in admitting us I would not be alive today." Another man said: "I never go to bed at night but what I thank

God for the privilege of living in this great free country and I want the chance of bringing my relatives here to enjoy the privileges that I have enjoyed."

Mr. BROOKS: What did the Prime Minister say?

Mr. TUCKER: The Prime Minister said that he would give very careful consideration to the matter.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: That may amuse my hon. friends. There is apparently some thought in the minds of my hon. friends that I am trying somehow, as they now indicate by their question and attitude—and the question was by a good friend of mine—to put some political bent to it. This is a national question; it is a question of humanity; a question of Christianity; a question on which all parties should join together, and I am making my appeal for the support which all hon. members might care to give to my suggestion.

Mr. KNOWLES: You have that. What about the Prime Minister?

Mr. GARDINER: He will go a great deal farther than any of my hon. friends will go.

Mr. TUCKER: When he did open the doors in 1923 some of my hon. friends found fault with him for doing so.

I come to another matter which is of interest to us, particularly in Saskatchewan. I am sorry that I shall not have time to run over all these subjects with which I wish to deal; therefore I shall do little more than mention some of the points. In regard to the crop failure bonus on the prairies, I would suggest to the government that every possible consideration be given to making the act more flexible. At the present time, if a township has not the requisite yield to bring it within the act a rectangular block of not less than nine sections may be brought into it if it is lying alongside an eligible township. I suggest that that section should be amended to make it more flexible so that it should not necessarily be a rectangular block, or lie alongside an adjacent township, so long as it is within an adjacent township, and that nine sections are too much. If that were made more flexible it would improve the administration of the act.

In regard to prairie farm rehabilitation, I urge most strongly upon the government its extension to the whole province. It should indeed be extended to the whole Dominion of Canada with advantage to the development of the country.

I also wish to commend the government for getting plans ready to spend $110 million to bring under cultivation a million and a half acres of land which cannot be cultivated today because of lack of water. I urge the government to press ahead with its plans as fast as available labour and supplies will permit. This programme which will bring under cultivation a million and a half acres is not an expenditure of money in the ordinary sense; it is an investment in the future development of the country which will pay real dividends in the development of the human resources of our country. As an example of the extent to which it will make a contribution, may I cite the yield in an area in Alberta of 30,000 acres of irrigated land. On these 30,000 acres the sugar beet growers in 1946 received an average return of $150 per acre. This yield was from land which formerly was practically worthless. On all the crops in that area the average yield was $75 an acre.

Mr. SMITH (Calgary West): Gross?

Mr. TUCKER: Gross return. In regard to that, all I shall take time to do is to urge the government to proceed with the programme just as fast as available labour and material will permit.

I have already stated my stand in regard to grain marketing. We of the Liberal party in Saskatchewan are behind—

Mr. SMITH (Calgary West): The eight ball.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: —the wheat board as the best method of marketing wheat. I do not see what is so funny about that. I should like to deal with the laughter but I have not time. I think my hon. friends are masters of that.

Mr. MACKENZIE: It looks like it.

Mr. TUCKER: Perhaps they are. I ask any one of them to tell us whether or not he is against it. If there is a Tory over there I should like him to rise in his place and say that he is against it today. I will challenge him to do so.

Mr. FERGUSON: I am against it.

Mr. TUCKER: You are against it because you are in an area where there is no wheat growing as in the west. I should like to see a western Tory get up and say that he is opposed to it.

Mr. ROSS (Souris): We do not have western Tories.

Mr. TUCKER: Are you against Trans-Canada Air Lines?

Mr. FERGUSON: No.

Mr. SMITH (Calgary West): I think they are inefficient.

Mr. TUCKER: You are against them.

Mr. SMITH (Calgary West): They are inefficient.

Mr. TUCKER: I will not take time to go into that.

Mr. SMITH (Calgary West): You cannot.

Mr. TUCKER: I could do it very easily but my time is running out.

We should like to see the wheat board have control of the marketing of all grains. We are glad to see that the Canadian Federation of Agriculture, representing all the farmers of Canada, in its last submission to the government endorsed the present wheat board and the way they are handling their job. Do I understand that some Conservatives representing farming districts are not in line with the representations of the Canadian Federation of Agriculture?

Mr. SMITH (Calgary West): May I answer the hon. member's question? He wanted a westerner to say something. I am against the wheat board having complete and absolute charge of the marketing of all grains. Is that a straight answer, or is it not?

Mr. TUCKER: Yes, that is fine. I am glad the hon. member said that, because it helps to put his party a little more on the record, but his hon. friend alongside him has not said that.

Mr. SMITH (Calgary West): Stay with me; do not leave me.

Mr. TUCKER: I do not want to stay with the hon. member, much as I like him. Charming as he is, he does not represent his whole party.

With regard to barley, the representatives of the Canadian Federation of Agriculture indicated that they would like to see at least $5 paid upon land sown to barley. There have been many arguments about that but I have not time to go into them this afternoon.

Mr. ROSS (Souris): Tell us what you are going to do about it. Your constituents would like to know now.

Mr. TUCKER: I am not a member of the government. All I can do is to make my representations.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: That may amuse my hon. friends but what is so funny about that?

Mr. SMITH (Calgary West): You have no sense of humour.

Mr. TUCKER: I should like to say to the government that I hope it will accept the recommendation. I must say I am doubtful whether $5 an acre will be enough to bring out the production of barley which should be brought out to provide the necessary feed not only for the west but for the eastern part of Canada and British Columbia but it will help.

Mr. ROSS (Souris): Why accept it?

Mr. TUCKER: I notice they also suggested that the freight policy be continued. Under that policy, as hon. members know, $79 million were paid out to January 31, 1947, to subsidize cost of freight on feed grain shipped east and to British Columbia, and $25 million was paid on subsidizing feed grain. Of course that has meant that we could grow more feed grains for live stock and a policy of feeding live stock could be built up in the other parts of Canada.

That brings me to another question, the question of freight rates. It is interesting to note that the assistance given to the cost of shipping of feed grain to British Columbia and to the eastern part of Canada has had such a tremendously beneficial influence upon the building up of the agricultural industry in Ontario. It shows what effect high freight rates have on stultifying and holding back the development of the country. One of the things that holds back the development of our country is the large stretch, the unproductive spread between west of the lakes and east of Winnipeg. There is very little production there and our produce has to be hauled both ways over that stretch. Someone has made a suggestion which might do much more good than studying how to raise rates, and that is to treat that area much as you would treat a river to be crossed, where you provide a bridge at public expense, or perhaps where you provide a canal on which you can haul goods, and do so at the expense of the public. The suggestion is made that if the cost of hauling goods across that unproductive area were paid by the state it would increase development not only in western Canada but in eastern Canada as well. It would increase national development amazingly.

I was pleased at the last meeting of the national Liberal federation that they were definitely opposed to any increase in freight rates. They said that if the railroads had to have more money to carry on, some other method should be adopted than raising the rates. I suggest that the question of paying the cost of hauling goods back and forth across that unproductive stretch might be considered.

It operates very much like a tariff. It costs money for us to fetch goods from eastern

Canada and it costs the people in eastern Canada money to have goods taken to them from the west. In other words, it operates as a tariff does, and our party should give consideration, I submit, to the elimination of that brake upon the development of the country. That would be much better than increasing freight rates.

In regard to cooperatives, we know some are doing business in various parts of Canada. Our party in Saskatchewan has suggested that the federal government enact a dominion cooperative act as a necessary step in the complete functioning of the cooperative movement in Canada, as it is being carried on throughout the country. There should be provision for them to get incorporation from the dominion parliament.

As to the Hudson Bay railway, the western provinces set up a technical committee to study this problem and they recommend that, to give this route a fair trial, at least 16,000,000 bushels should be exported through that port this year. If 16,000,000 bushels were exported through that port it would eliminate all the deficits on the Hudson Bay railway; it would eliminate all deficits on the terminals, and it would give a real test to that port. Incidentally, it would save a great deal of extra money to the wheat growers of the country through the saving of over four cents a bushel freight on wheat exported through the port.

I urge the government, with all the emphasis I can exert, to bring pressure to bear upon the wheat board and everyone else involved to see to it that that great port, built, after all, with the money realized from the sale of western lands, shall be given the trial which it deserves and which we in the west believe will demonstrate that it is a workable means of communication not only between ourselves and Europe but between us and the maritime provinces of Canada. I would urge that upon the government.

I am aware that the Minister of Agriculture (Mr. Gardiner) in his trip overseas a year ago explored means whereby the Scotish cooperatives might take over some of our merchant ships to start trading out of and into Hudson bay. What they feel it possible to do in that regard I do not know, but I hope that everything will be done that can be done in developing that route.

In regard to floor prices, we have, as hon. members know, an Agricultural Prices Support Act. That is designed to put a floor price under farm products to ensure to the farmer an adequate and stable price for his products and to give him a return which will bear a fair relationship to that enjoyed by other members of the community. We of the Saskatchewan Liberal party say that that should be adopted not only for the transition period from war to peace. We suggest that there should be a floor under farm prices as a permanent part of the economic set-up. There should be stability in the income of the farmer, who has to raise, care for and educate his family just as other people have to. He is as much entitled to stability in income as any other part of society, and we ask that consideration be given to making the Agricultural Prices Support Act a permanent part of the economic set-up.

In regard to income tax, everyone knows how hardly in recent years it has borne on the various parts of the country. Everyone knows it has had the effect of discouraging initiative and has made different people say that they do not want to work such long hours, while others say that they do not care to produce because they are afraid of the effect which the income tax might have on their net income. They think their efforts might not be worthwhile. The same is true throughout our whole economy. The farmer however has felt that the income tax act is one that has borne extraordinarily upon him.

I would point out two ways in which it has done so. Unfortunately there is a tendency on the part of some people, not farmers, to say that the farmer is taking an unreasonable attitude in this matter, but here are two ways in which he feels that the income tax has been unfair to him, and in these respects he would like to see a change made. In the first place, the family on a farm, the wife and children, make a real contribution to the income of the farmer, and yet that is not taken into consideration properly when he makes up his income tax returns. At the end of, say, ten years his financial standing is compared with that of what it was ten years previously and he is considered to have made all the money himself during that time. The farmer is certainly entitled to say that in the making of this money there were others who helped. Several people may help him to make the money because, while he may not pay it out at once to his children when they help him around the farm, he has in mind ultimately paying them by assisting them when they start on a farm of their own. Something definite should be done to take that situation into account and correct it.

The other point is this. In Saskatchewan we had sometimes as many as eight or nine years of crop failure. Men had worked for ten and fifteen years building up an estate for themselves and then had a succession of crop failures. Then they began to go into debt.

They put mortgages on their farms and sometimes lost everything they had made during a period of ten or fifteen years. Then with better crops they began to make money again and they want to pay off these mortgages and get into the same position they were in ten or fifteen years ago. But the income tax department says to them, as it does to other people in other lines of work, "We are not concerned about what you lost ten years ago; we are concerned only with what you are making today."

I give the government credit for being willing to average farm income over three years but I still say that something further should be done to take care of that particular situation of the man in western Canada who lost sometimes as many as nine or ten crops.

These are only some of the items that I wished to put before the house in the time at my disposal. I am sorry I could not cover all that I should like to have touched upon, but I thank the house for the indulgence it has shown me.

Mr. ANGUS MacINNIS (Vancouver East): I am sure the house now regrets that it did not allow the hon. member for Rosthern (Mr. Tucker) to make from the very beginning the kind of speech he ended up with. I hope he will not take it amiss when I congratulate him on the excellent speech he has made in support of the programme which the C.C.F. has been advocating in Saskatchewan for so many years.

The debate on the address in reply to the speech from the throne has done at least one thing. It has demonstrated that the war is over and that we are now face to face with all these problems which we failed to solve in the period between the two wars. The debate has also brought into clear focus the difference in policies as between the parties in this house dealing with our social and economic affairs. From observing the government's administration of affairs, and from listening to the speeches by the official opposition, it must be clear to anyone that there is no fundamental disagreement between them in the matter of policy. The chief difference that I see between the policies of the government and those of the official opposition is that the government wants to make an orderly retreat to the pre-war economy and the official opposition wants to make a disorderly retreat to the same ground. Neither party, it appears, has learned anything from the lessons of the twenty years of uneasy peace between the two wars nor, does it seem, have they learned anything from what happened during the six years of war itself, and a great deal happened during those years.

The other party, the Social Credit party, as far as I have been able to observe, believes in nearly all the fallacies and misconceptions on which the policies of the Liberals and Conservatives are based, and it has quite a number of its own fallacies besides. I do not think I am doing the Social Credit party any injustice when I say that it holds to the theory—this is good, orthodox, old-fashioned Liberal theory and I understand my hon. friends over to the right have adopted it—that the welfare of all is best served when each is concerned only with enhancing his own welfare. This philosophy is usually referred to as private enterprise, and my hon. friends have put themselves on record a dozen times during the present session that they are in favour of it. But to be completely fair with the Social Credit party, I must say that, although it adheres to the principle of capitalism—that is, private enterprise—as the best way of life, it also believes that there is a means by which we can avoid and overcome the evils associated with private ownership, namely, by the issue of a liberal supply of greenbacks.

Mr. BLACKMORE: "Liberal" is not the word; suitable and adequate.

Mr. MacINNIS: Imagine that, to be suitable and adequate, it would have to be liberal; and I am afraid that the more liberal it would be, the more inadequate it would be. The Social Credit party not only believes that one can have his cake and eat it too, but also believes that one can eat the other fellow's cake and that he can still have it. That is the fundamental basis of their policy.

Mr. BLACKMORE: Nonsense.

Mr. MacINNIS: For the first time during the session I agree with the hon. member for Lethbridge (Mr. Blackmore), that it is nonsense. The C.C.F. believes that the people should own, control and operate the means by which they must live. Not only that; we say that the masses of the people who do not own, control and operate the means by which they live, are not free.

Mr. BLACKMORE: Farms, too. Put them in also.

Mr. MacINNIS: Yes; and I put a donkey in the barn.

Mr. BLACKMORE: You are afraid of that one.

Mr. SPEAKER: Order.

Mr. MacINNIS: Any people who do not own the means by which they live must go hat in hand to the people who do own those things

and ask for the right to live or the right to work in order that they may live. I should like to point out now that the policy we believe in, that of social ownership of the means of life, is becoming increasingly accepted throughout the world, so that today any man capable of reasoning who will look at the present world situation can come to only one conclusion, and that is that it is no longer a question of capitalism versus collectivism; it is a question today of what kind of collectivism the world is going to have. Shall it be totalitarian or democratic collectivism? The group with which I am associated believe in democratic collectivism; in other words, democratic socialism.

I wish to take a little time, Mr. Speaker, to deal with the amendment to the amendment moved by the hon. member for Peace River (Mr. Low). I shall also, if I have time, deal with the Social Credit philosophy on which the amendment is based. Before dealing specifically with the subamendment, I wish to refer briefly to certain statements made by the leader of the Social Credit party when he spoke in this debate on February 3. At page 75 of *Hansard,* he is reported as saying:

> Furthermore, I say to you, sir, that it is my belief and the belief of those in this group in the house, that any time the government sets out to achieve as its major conscious objective full employment, social security, or a planned economy, that government is going straight down the road to slavery of the people in the country.

I quoted that short paragraph because I wish to compare it with some other quotations from the hon. gentleman's speech. On page 76 of *Hansard,* just half a column distant from the quotation which I have just read, I find this:

> I was very much disappointed that the speech from the throne made no mention of the government's intention to enter upon a bold, progressive and systematic programme of development in the north, and its colonization as well.

Put the passage I have just read along with the passage that I read first, and this is what you will find. The hon. member for Peace River told the house that any government that set out to achieve as its major conscious objective, full employment, social security or a planned economy, was leading the people down the path of slavery. The next moment he is criticizing the government for not planning in order to improve the standard of living of the people of this country.

Mr. JOHNSTON: Two entirely different things.

Mr. MacINNIS: The only difference is that they were said at different times. I imagine that any government that was going to enter on a bold, progressive and systematic programme would have to plan that programme. However, perhaps I am wrong.

I should like to quote another sentence from the same speech, on the same page of *Hansard.* I quote a sentence only, but it is long enough and there is enough in it to prove the point I desire to make. That point is that no matter what the Social Credit party says, or for what purpose it says it, that party believes in planning. This is the quotation:

> Among their concrete achievements the Alberta government has recently commenced a vast scheme of clearing and colonization of lands in the Peace River country which in five years' time will result in 200,000 acres of new farms being brought under cultivation and production.

There again you have the hon. member for Peace River, who was criticizing the C.C.F. for advocating planning, who was telling the house that any government engaged in planning was taking the people down the path of slavery, congratulating the government of Alberta upon having done a little planning, a five-year plan if you like, in northern Alberta. So now what can we say of either the sincerity or the integrity of a party leader who condemns government planning when it is advocated by one party, who criticizes another party for not doing it, but who praises his own party for having done it? The C.C.F. believe that in our complex society production and distribution must be planned. What is more, we know it will be planned, for not to plan would be anarchy. The only question to be decided, then, is, will it be planned for the benefit of the country as a whole by the democratically elected representatives of the people, or will it be planned by a few individuals for their own profit? That is the situation confronting us today; those are the alternatives. Plan we must, and we must also accept the economic and social consequences of the kind of planning we do.

I now come to the Social Credit amendment, which would delete the Progressive Conservative amendment of no confidence and substitute four proposals. I am going to read only one of those four, and I shall state my purpose in reading it. The first proposal asks for the return to parliament of complete and effective control of Canada's financial policy. I am under the impression that this parliament now has and always has had full and complete control of Canada's financial policy. Of course it is open to question whether parliament has always exercised the power to make and control a financial policy in the interests of Canada. It is quite likely it has allowed other people to make the policy; but there is no doubt where the power to make such policies

lies. In that connection, however, the first prerequisite to the complete and effective control of a financial policy is complete and effective control of the financial institutions through which financial policies are carried out. In the opinion of this party, that implies the public ownership of our financial institutions; for instance, the public ownership of the chartered banks. The Social Credit party, however, is opposed to the public ownership of banks. They believe our financial institutions, along with all the other means of production, distribution and exchange, should be operated for private gain. This is a beautiful example of the contradiction between what the Social Credit party believes in and the results the Social Credit party wants to achieve.

I shall try to put the point briefly and, I hope, correctly. First, they say our financial institutions should be privately owned and, I believe it logically follows, operated for the private profit of the owners. Second, they want them operated for the social benefit of the community as well. I do not believe you can get those two things under those conditions. They fail to see, as so many other hon. members fail to see, that most of the time of this house is taken up in trying to harmonize the welfare of the community with the demands of an economic system that has for its purpose the exploitation of the community.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MacINNIS: Mr. Speaker, when the house rose for the dinner recess I was about to read section B of the subamendment moved by the hon. member for Peace River. This is the section of the subamendment which contains the meat, if I may apply that term to a fallacy, of the social credit economic philosophy. It reads:

> B. The use of the national credit to meet at least some of the financial requirements for essential services; and, as a guarantee that this country shall not again be subjected to financial depression, to make available to each and all Canadian citizens a proper portion of purchasing power which shall not first pass through the usual channels of industry, this on a basis calculated to maintain a balance between effective purchasing power in the hands of consumers and the aggregate of the prices of goods available for sale.

As I said, that is the meat of the social credit programme, the issuing of what they call debt-free money, with the suggestion or the assertion that it will neither add to prices nor diminish the amount of income that any section of the community may receive. I claim that cannot be done.

I want you to note the phrase, "as a guarantee that this country shall not again be subjected to financial depression." The assumption of that phrase, an absolutely erroneous assumption, is that our depressions are financial. I wish to make the assertion, which I do not believe can be contradicted, that we have never had a financial depression in this country. The financial resources of the country, that is the currency and credit of the country, have always been adequate to distribute the goods and services produced. That is not to say that the goods and services produced have always been distributed to the people who needed them. They have not. But when that was not the case there was always sufficient money to do it. People may be in want when there is a shortage of the things they need because under the capitalist system, which the social crediters support, goods are not produced to fulfil needs; they are produced to make a profit for the owners of the capital employed in producing them. That is the so-called private enterprise to which my hon. friends referred. If they serve the needs of the country, that is incidental. That is not the primary purpose of capitalist production.

The proof of that assertion lies in the fact that if you want anyone to invest in a project or undertaking the question you will be asked is, not what social good will accrue from it, but what profit will it make? If it will not make a profit you will not find investors for it. As long as it makes a profit, it will keep going; when it does not make a profit, the government has to take it over if it is an industry essential to the life of the community.

Prosperity and the amount of money in circulation are not necessarily dependent upon one another. The total amount of money and bank credit in circulation in Canada in 1938 was almost double that in circulation in 1929; yet 1929 was the peak year of our prosperity and 1938 was a year of relative depression. I have the figures and I shall give them. The total money in circulation and the total bank deposits for 1929 were $2,934 million, while in 1938, as I said a year of relative depression when unemployment was five or six times what it was in 1929, the amount of money in circulation was $4,865 million, or nearly twice as much. Yet we are told that depressions are caused through our not having enough money.

At the present time everyone is predicting a depression, but our bank deposits and the

money in circulation are increasing all the time. Just before coming into the chamber I made a note of the savings deposits in our banks on January 31, 1946, and on January 31, 1947, and I found that in the period of one year the savings deposits in the chartered banks of Canada had increased by approximately $570 million. Yet, as I said, everyone is predicting a depression.

I should like to read a short paragraph from a book that came into my hands only yesterday entitled "A Tax Programme for a Solvent America", by the committee on post-war tax policy. This is as recent as February, 1947, and in regard to money it says:

> Incidentally it should be noted that there is nowhere a lack of money. Even the stricken countries of Europe and the Orient have plenty of purchasing power, as the term goes. We have been provided with an impressive demonstration of the comparative sterility of money, as such. The great famine has demonstrated that people can starve, regardless of the quantity of money in circulation. Money is worthless in exchange unless there are goods to be exchanged. Whether it be paper money in Hungary, or bank deposits in Japan, the mere existence of purchasing power will not create bread and shoes.

Then they go on to say that what is required today is not money, but goods and the means to produce goods. After we have acquired those, the next thing to do is to provide a means of distributing those goods and services to the people who need them. Then we shall not need to worry about depressions, financial or otherwise.

Mr. KUHL: Where will you get the money?

Mr. MacINNIS: We have the money here, but the people who need the money do not have it and the people who have it, cannot use it.

Mr. KUHL: Then you want more taxation.

Mr. MacINNIS: There is no other way in which it can be done except by taxation, to take from those who have to give to those who have not, of course, unless we increase our total production. You cannot increase your total production as long as you are operating under the profit motive, because production is continually being restricted in order to increase prices. Read your cartels report.

Mr. KUHL: And then we had overproduction in 1939.

Mr. MacINNIS: That is what somebody told you. I never told you that.

Mr. KUHL: There were plenty of goods then.

[Mr. MacInnis.]

Mr. MacINNIS: Yes, there were plenty of goods; that is what I am saying, but under the system which you support the people who produced those goods and needed them could not get them. That is what is wrong.

Let me give the house an idea of the amount of money that is available in savings deposits in our chartered banks. As of October 31, 1946, there were savings deposits in our chartered banks to an amount of over $3,476,000,000. The number of separate deposit accounts was 6,063,457, which works out at approximately one account for every two people in Canada. But when you come to classify these accounts you find that a great many people had very little money on deposit and that a very few people had a great deal. Of the 6,063,457 accounts, 5,290,728 were deposits of $1,000 or less, or an average deposit of $170. But when you come down to deposits in excess of $100,000, there were 971 accounts with an average deposit of $376,633.

Those who believe that they can remedy the situation by creating money are just deceiving simple people. I would say again that the struggle for survival in Britain today is another proof of the fact that it is not a scarcity of money that is the trouble. Monetary reform, of course, is an essential part of any programme designed to expand production for a higher standard of living, but as long as you leave the ownership, control and the direction and purpose of industry in private hands you will not accomplish much. For this reason alone, and there are plenty of others, this group cannot support the subamendment.

The hon. member for Peace River, speaking in the house the other night, made the statement that there was a feeling abroad that the Social Crediters had forsaken their monetary reform policy. Their amendment is sufficient proof that that is not the case, and I need not say anything more about it. But although they claim that they have not forsaken their monetary reform policy, I do claim that they have forsaken the basis on which William Aberhart's brand of social credit in Alberta was built up. Mr. Aberhart built up social credit in Alberta, not by extolling the virtues of free enterprise and big business, but by doing just the very opposite namely, attacking big business. I have in my hand a booklet with which my social credit friends, no doubt, used to be quite familiar but with which they have not been so familiar lately. It is the "Social Credit Manual," with the subtitle, "Social Credit as applied to the province of Alberta", written by William Aberhart, B.A., and with the further subtitle, "Puzzling questions and their answers"; and let me say that the answers are just as puzzling as the questions. In

stating the basic premise of social credit, this is what Mr. Aberhart says on page 5 of the manual:

> It is the duty of the state through its government to organize its economic structure in such a way that no bona fide citizen, man, woman, or child, shall be allowed to suffer for lack of the bare necessities of food, clothing, and shelter, in the midst of plenty or abundance.

But listen to what the leader of the Social Credit party in this house said, speaking in this debate on February 3 last, as reported at page 75 of *Hansard:*

> Furthermore, I say to you, sir, that it is my belief and the belief of those in this group in the house, that any time the government sets out to achieve as its major conscious objective full employment, social security, or a planned economy, that government is going straight down the road to slavery of the people in the country.

Mr. BLACKMORE: There is no contradiction there.

Mr. MacINNIS: Mr. Aberhart said that it was the duty of the state to see that the people were provided for, but the hon. member for Peace River says that any government which attempts that is taking the people of the country down the road to slavery.

Mr. BLACKMORE: That is not right.

Mr. MacINNIS: I have read the actual words and I think I understand English. There is a peculiar phrase used by the hon. member for Peace River to which I would draw attention. He said that any time the government sets out to achieve "as its major conscious objective" full employment, social security and so on. I imagine that if a government only made that a minor unconscious objective it would not be too bad. My social credit friends accuse the present government of socialistic or national planning, but let me tell them that if the government is doing anything of that kind it is of a minor nature and is done absolutely unconsciously.

Mr. MITCHELL: Not a bad job at that.

Mr. MacINNIS: My time is nearly up, but I wish to quote just a few more phrases from this little manual on social credit. If social credit were possible it would involve so much control that any control which might take place under the planned economy advocated by this group would be absolute freedom in comparison. The Social Crediters are to have no taxes but they are to have a levy. William Aberhart said in this manual:

> Thus the province will be able to collect a levy that will provide the basic dividends to distribute to the various citizens.

The citizens were to get dividends, and then they would pay for them, of course, by a levy, not a tax. Mr. Aberhart goes on to say:

> To illustrate this let us take a bushel of wheat say at a just price of sixty cents. Fifty-five cents of this is to go to the farmer and will provide a fair commission on his turnover. Five cents will be set aside for the government levy. The wheat is sold to the miller who grinds it into flour. The cost of grinding will be covered by the shorts and bran and other by-products of the process. This will produce about forty pounds of flour. We will suppose that the flour sells for $1.10, ten cents of which is again given to the government as its levy. The flour is next turned to the baker who makes it into bread which he sells at seven cents a loaf. The forty pounds of flour with the water and other ingredients would make fifty loaves of bread. Suppose the government levy on this bread was a cent a loaf. That would give an additional fifty cents levy. Thus from a bushel of wheat, processing it to flour, the government would be able to collect possibly sixty-five cents.

The original price of the bushel of wheat was only sixty cents! And they tell you that there would be no taxes under social credit. They may say that they have changed their policy and that things would be different, but in reply to one of the questions asked in this little manual, "How long would it take to put social credit into effect in Alberta?" the answer is, "Eighteen months." Well, Mr. Speaker, they have been in power in Alberta for twelve years now and any idea of putting social credit into effect has absolutely disappeared. Indeed, they are so far away from social credit now that the people who were once afraid of the Social Credit government are now the people who are financing it.

Mr. H. R. JACKMAN (Rosedale): Mr. Speaker, I shall not trespass very long on the time of the house tonight, and I was not minded to take part in this debate had it not been for the fact that I must always be conscious of the housing conditions in my own riding of Rosedale, which is very much in the centre of the city of Toronto, a little bit to the east toward the river Don. This morning I received the report of the building commissioner of our city, Mr. K. S. Gillies, which gives the total amount spent on construction during 1946 and divides it into the various classes. Before giving the house the figures which the commissioner has outlined, may I say that I am amazed at the complacency of the Canadian people in regard to housing. I was also amazed at the complacency of our people during the depression years and at the way in which they stood the hard times they were up against and their inability to find work during the period when the Liberal government was in power, even though they

were able and willing to work. May I recall to you, sir, that at that time the chief occupations of many of those who were unable to find work were bricklaying, plastering, carpentering and other house-building activities. There was just no substantial housing, if any at all, being carried on in Toronto at that time.

When I visit some of the people in the areas where housing conditions are bad, see the overcrowding and the number of families living in a single dwelling unit I cannot help avoid feeling that the Indians in Central America and in other countries are better housed than are some of our own people.

Last year I mentioned that I had visited one large old house which had no fewer than fifty-three people living in it. This house had practically no facilities in it. As I remember it, there was one bath with a cold-water tap, and that was all. What has happened to that place? It has been torn down to make room for a moving-picture house. I inquired where the people were. For the most part they have been moved to Stanley barracks which, as many hon. members will know, is a very old stone barracks near the Toronto exhibition. I recall that some thirty or thirty-five years ago it was so old that it was being used as a prison centre for Austrian prisoners of war. Yet that is where we are quartering our own Canadian people.

May I recall here, as my colleague, the hon. member for Eglinton (Mr. Fleming) did recently, the words of Brigadier Douglas H. Storms, building manager of housing enterprises, dated October 10. He said:

> Plant extensions, theatres, garages, stores, summer cottages, dance halls and hot-dog stands are under construction. At the same time people are living in the worst distress for lack of housing. On one street of small houses in New Toronto—

That is in one of our newer districts.

> —we found each house was occupied on the average by nineteen people.

Last November I made an inquiry of the emergency housing centre where people file their appeals for some kind of shelter, and I found that there were 7,300 unfilled applications for any kind of shelter whatsoever. It was reported to me then that that very night an R.C.A.F. veteran of sixteen months' overseas service, his wife, his daughter of thirteen and his boy of twelve had been picked up in a public park because they had no place to go, and were endeavouring to stay there for the night. Apparently the man had been staying at a hotel but a veteran's gratuity does not last long at hotel rates.

I would feel that I was trespassing on the time of the house in pointing out the need for housing, but if all hon. members could be taken in the congested areas of some of our larger cities and see the picture as it actually is I am convinced that something more would be done than has been attempted by this government. In 1944—I put this on the record merely to refresh the memories of hon. members—the advisory committee on housing estimated Canada's shortage of housing units at 600,000. At least 300,000 families are doubled up; but what cares this government as long as it can let sleeping dogs lie? What amazes me is the complacency of our people. Why they stand for it when they see so much building of other kinds going on all about them, I do not know. Did the Curtis report not show that there are over 300,000 substandard dwellings? According to the figures of the minister, 60,000 housing units were constructed last year, or not much more than enough to take care of the annual growth plus the wastage, because even houses, particularly temporary ones, wear out in time.

Judged by its actions and its lack of planning, there is good ground for believing that the government does not take the housing shortage seriously. Certainly it does not consider that there is any real emergency but just a comfortable shortage of houses which can be made up when employment is not so plentiful as it is today. Is it possible that the government believes that because the population of Canada is little if any greater than it was in the pre-war years, and since there are certainly no fewer housing units than there were before the war, conditions cannot be very bad? These are true facts which may seem to give rise to the specious conclusion that there is no dire distress as far as housing is concerned. Our population has not grown and we have not had houses bombed, so where is the housing shortage? What the people will put up with, if one would investigate the actual conditions in our city in the way of unhealthy housing conditions, is something which staggers the imagination. Is the government even conscious of the problem? If so, its pain must be so great that it has taken a sleeping potion to lull itself into self-satisfaction and utter complacency.

Let me now come to the figures in the annual report of the building commissioner,

Mr. K. S. Gillies of the city of Toronto. He says in his little foreword:

> Commercial and industrial building formed the larger portion of the year's work while housing took second place.

That was a masterpiece of understatement. The facts as shown in the booklet are as follows: In 1946—these are actual construction—the total value of all buildings erected was $22,232,000, while the total value of housing units, including apartments, was $3,291,000. In other words, fifteen per cent of all the money spent on construction in the city of Toronto in 1946 was devoted to housing units and the other eighty-five per cent to a variety of construction projects which had nothing whatsoever to do with housing our people or looking after our veterans who had been away from Canada for five or six years while other people may have been getting a roof over their heads, but who had nothing to go to when they came back. During the year there were 843 permits issued for housing out of a total of 11,242 permits for building and alterations of one sort and another. Therefore we may see what we have to look forward to in 1947. Out of 11,242 permits, 843 permits were issued for housing. What other construction was there in the city of Toronto last year? Commercial and industrial buildings amounted to $17,090,000, or 77 per cent; schools and churches, $399,000, or 1·5 per cent and, miscellaneous, $1,511,000, or 6·5 per cent. With a score of fifteen per cent for housing, that category certainly came a very poor second to commercial and industrial buildings, with seventy-seven per cent of the total amount of money going into that class. May I point out that in the construction of four movie theatres, two garages and three warehouses, taking a total of $2,181,000, that amount for this very small number of units of large commercial projects took up as much as two-thirds of the total that went into housing units in Toronto. The number of new housing units was only 636, probably sufficient to house about 2,400 people; but the number of applications for emergency shelter of any kind was, as I have mentioned, at the first of November, 7,300, and this may be compared with 636 housing units constructed last year.

How are we facing the problem? We are not even nibbling at it at the present time. Is the fifteen per cent for residential construction out of the total building construction in Toronto to be considered normal? After the last war, in 1922, which is as far as the figures in the little book I had at my disposal went, the percentage of housing construction to total construction in the city was 62 per cent. Last year it was 15 per cent. For several years following 1922 the percentage hovered around 60 per cent. In 1928-29 it was 30 per cent and from there it continued around 40 per cent until 1939 when it dropped to 28 per cent. Since then, the percentages of residential construction to total construction have been 40, 26, 38, 35, 23 per cent, and in 1947, under the present iniquitous system, 15 per cent, an all-time record low.

The dollar value is pretty much the same. In 1922 and following, residential construction was $22 million; in 1946 it was $3,291,000, or about one-seventh last year of what it was in 1922, as far as housing units were concerned.

The government may well wonder why any member or party who is for freeing business and production from their chains, and who is against controls in general, would advocate building controls. In the first place, the housing situation in Canada, particularly in city ridings such as my own, was never good. This government did nothing about building houses in the depression years. No houses could be built in the war years, for good reasons, and there has been an influx of population. The demand for housing so far exceeds supply that rental controls and, perhaps even more so, building controls are necessary. The result of no building control has already been shown. Commercial enterprises have plenty of money and the cost of building is therefore but a small item in their budget. They are not very much concerned with how much they pay for building. The ordinary citizen, however, and particularly the veteran, is very much concerned, because his pocketbook is limited and housing is one of the main expenses in his budget.

Even under proper government supervision the acuteness of the housing shortage cannot be relieved overnight. At the present rate of progress it will take many years to overcome it, and until it is overcome I presume we shall be under the necessity of rental control, which has many bad features as well as some good ones. The Liberal government has refused to accept responsibility for priorities. It has told the municipalities that they can put on their own building restrictions. This was entirely unsatisfactory and is entirely unsatisfactory today, because the problem has always been a national one. The reason for that is that if an industry wanted to expand or a new movie was to be set up, it would go to that place or that city where there were no restrictions, and no municipality was willing—and again this is the effect of politics; it is quite natural—to lose the chance of having a new industry established within the confines

of its own borders, so it took down the bars and allowed any commercial or industrial project to go ahead.

The question of priorities is one which, if it is to be effective at all, must be exercised from Ottawa where a balance can be maintained betwen various competing muncipalities for industrial projects which are vital and necessary in some cases and for housing which we know is extremely urgent. The Liberal government refuses to be responsible for the welfare of the people and to control the type of buildings to be erected. It is left to the men or the businesses who can pay the most. As Mayor Robert Saunders of Toronto said:

> Our city fathers tried desperately to have the federal government maintain a strict control over all building and see that the many materials in short supply were directed first to home building. It was a problem that only the federal government have the power to control and direct.

Last evening we were given the lumberman's point of view on timber controls when my colleague the hon. member for Victoria, Ontario, (Mr. Hodgson) spoke. If we accept the suggestion that forty per cent of Canada's increased timber cut should be allowed for export—and I use that figure of forty per cent as a rough one because I understand that on the west coats two-thirds of the volume of lumber may be exported and in the central provinces only one-third, and here I may remark it is no wonder that the western lumber people feel that controls are not too unsatisfactory when they can export two-thirds of the output at the rather attractive prices which they get in the export market—if, I repeat, we say that forty per cent of our lumber is to be exported in order to maintain our trade channels and be fair to other countries, so that sixty per cent is left for domestic allocation, then we must make sure that the sixty per cent is fairly allocated among those who are entitled to lumber for building purposes.

If it is left to the present system those who have the longest purse—and that is certainly not the ordinary prospective home owner—are the ones who are to get the lion's share of this lumber. If we had a system of priorities from Ottawa it would mean that sixty per cent would be available to those who had a priority for housing, and for veterans housing in particular. Then, if there were no price controls and more lumber were brought to the domestic market, sixty per cent or greater, we would find that too large a percentage of it or too great an amount would not be used in building, because the amount of lumber consumed must be limited by the capacity of the building industry and the number of trained building workers.

Furthermore, I do not think that if controls were taken off lumber—not export control but price control—we would find that lumber would go up much in price. The minister suggested that if it went sky-high—I do not know what figure he had in mind, but no doubt a substantial amount—it might add $200 or $300 to each house. Already builders have found price resistance developing in respect of smaller houses which are being built at the present time. The people do have some respect for the purchasing power of the dollar; if they do not get good value they will refuse to invest, and it will be found that, instead of its being a seller's market, it will become a buyer's market. At least the scales would be held in balance. So long as we have controls, the controllers will find reasons for continuing their own existence. It is only natural that they should think that way.

I understand, Mr. Speaker, that even now if moving picture theatres, dance halls, hotels and bowling alleys were eliminated, the shortage in lumber and many other building supplies and also of labour would be pretty well done away with as far as sufficient to put on a real house-building programme is concerned. The only effect of lumber controls is that the short purse of the veteran and the prospective home builder cannot acquire very much lumber, but the long purses of these moving picture magnates and those who are putting up the other forms of commercial or industrial enterprises get the lumber and get it at a cheap price. Certainly the lumber is not going to the builder of homes. I mention those four classes, moving-picture theatres, dance halls, hotels and bowling alleys, because they are commercial undertakings and not because of any lofty sentiments. I believe that none of those forms of commercial activity creates jobs for any great number of our people. One cannot make the excuse that, by allowing dance halls and moving-picture theatres to be erected, we are providing places where employment will be given to a substantial number of our people in less prosperous times.

May I mention here that I do not know how weighty the consideration is which the minister gave to this vexed problem of housing, which certainly is not being met in the riding of Rosedale. But on February 7, when he announced a new plan for rental housing, whereby if a man built houses for rent and gave priority to the veteran he would be allowed double depreciation, I asked the minister just how much the

depreciation was now, so that I could form some estimate of what the double depreciation would be. His words were, "I have not the figures at my fingertips, but my impression is that the present rate is four per cent; if so, the new rate will be eight per cent." I began to figure out just what this might mean to the housing industry and whether or not new rental houses might be constructed. When I checked the figures in *Hansard* the next day, I found that the four per cent had become two and a half per cent, and double that is five per cent. I am not complaining about the minister's memory, but I feel that when a major policy is announced in this house, some thought should be given to it by the minister, because the difference between being able to write off five per cent over the next few years as against being able to write off eight per cent, is substantial. Of course the five per cent does go for the whole life of the building, until the whole investment is written off.

But the point I am making is this. Everyone feels that if you put up a house today for rental, you are probably putting it up at inflated values; and you are a little bit concerned that, if you have to get rid of it over the next five or ten years, you cannot get your money back. However, if the minister had put forward a real programme of depreciation—not of five per cent but double four per cent, or eight per cent, let us say—it would be found that over the next five or eight years the man who might put up that house for rental would be able to write off enough of his depreciation that he would not have to worry about getting out of it whatever value he still had left in it; whereas at the present time he has to carry it perhaps for ten years or longer, before he may be able to get his money back, because he may have to sell in a market which is not as buoyant as the present one.

I believe that if the government will take the controls off building supplies and put the control on permits for the class of building undertaking which is most needed from the social point of view, and most needed by our veterans, the housing shortage in this country would be ended much more quickly than it will be under the present system.

Mr. HOWE: May I ask my hon. friend one question? Will he tell us where in the city of Toronto residential property can be bought in acreage sufficient to put up, say, 1,000 houses?

Mr. JACKMAN: I am glad the minister asked that question, because I had meant to cover it. I was a little concerned, after I got the report from the building commissioner, about where all the building was to be done in the city of Toronto, because the report itself confined itself to the actual geographical limits of the city. Within 150 yards of where I happen to live there are two very large spaces where apartment houses could be built. I have consulted with at least half a dozen of my colleagues, and while I do not know where one could put up 1,000 houses as a unit in Toronto, or even 250 houses, nevertheless there are a number of spaces where houses can be put up, particularly apartment houses.

I think the real answer to the question is this. Where these warehouses and moving-picture theatres are being put up one could no doubt put up apartment houses. But more strongly, I think, the answer to my main charge of misdirection of building materials and building labour is the fact that on the outskirts of the city there is considerable housing activity, in the construction of workmen's houses particularly. I am interested in some of them myself. I know the struggle which the manager of the company I am interested in is forced to carry on in order to get bricks, lumber, foremen, boss carpenters and whatnot. The only reason that we are able to put up houses at all is that the company is able to buy and pay cash for materials in the winter time when some other builders are not able to acquire them. We have done a reasonably good job, but it is a struggle all the time. The reason that materials and labour cannot be obtained is that so much goes into buildings which, I shall not say are non-essential, but which, to my mind, have less social priority than housing in the city of Toronto. That is the reason why we are not getting on with the house-building programme as fast as we otherwise might. If anyone takes on a project of 100 houses on the outskirts of Toronto, he will find that it is a tooth-and-nail job—nail in the literal sense as well as the metaphorical one—to get any progress at all. Only the most skilful manager is able to erect houses, because of the misdirection and the lack of control on the part of the federal government.

Mr. HOWE: I have one more question and this is the last. Am I right in saying that my hon. friend, in giving his statistics for the city of Toronto, left out all the house-building in the surrounding areas to which he is now referring?

Mr. JACKMAN: I just said that the book I have is confined to the geographical area of Toronto.

Mr. HOWE: Exactly.

Mr. JACKMAN: I forget the total figure for the Dominion of Canada, which is not too pleasant anyway, although it is certainly better than fifteen per cent. I am concerned about my own riding and about conditions there, and I should like to take the minister there. The total for the Dominion of Canada, as given in answer to the question of my colleague the hon. member for Eglinton (Mr. Fleming) was $383 million of total construction last year, of which $200 million, or fifty-two per cent, was for housing units. But even that is not good enough. When I know the situation locally in my own town, I think I have the right to come here and ask the government to do more for the people, who, to my mind, are much too complacent.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, prior to 5.40 o'clock this afternoon it was my intention to speak for only twenty minutes and to adhere strictly to certain previously prepared notes. Thanks to the hon. member for Vancouver East (Mr. MacInnis), I shall be obliged to extend my time and to move away from that previously charted course. This afternoon and again this evening the hon. member for Vancouver East indulged in one of his usual pastimes, that of jerking from their context words, phrases, clauses and paragraphs, endeavouring to convey to this house a definitely erroneous impression. In so doing, he managed to work himself into the usual lather. Before the dinner recess, in referring to social credit he indulged in such expressions or partial expressions as "concerned only with personal welfare," and, as I say, endeavoured to create the impression that the members of this group were concerned only about their personal welfare.

Mr. MacINNIS: I never said anything of the kind, that any member of this house or any member of any other party was concerned only with his personal welfare. I referred to it as a system; and I do not want to have any implications of that kind.

Mr. SHAW: The hon. gentleman wasted his forty minutes this afternoon and evening; I hope he will permit me to utilize mine. I said the hon. gentleman sought to create an impression, and I stick to what I said. He referred to "an old-fashioned theory." Goodness knows what he had in the back of his mind! He referred to "a liberal supply of greenbacks." He must have been in the pond with the frogs. He made statements like these: "eat his cake and have it, too"; "eat the other fellow's cake, and still let him have it"—such utter nonsense!

Mr. MacINNIS: I know it is nonsense, but that is what you are advocating.

[Mr. Howe.]

Mr. SHAW: It was manufactured by the hon. gentleman himself, and the expression is certainly nonsense. Because certain hon. gentlemen opposite laughed at him—and certain hon. gentlemen opposite will laugh at almost anything—he waxed even more eloquent. He went on to ridicule the assertion, I presume of the hon. member for Peace River (Mr. Low) and the hon. member for Acadia (Mr. Quelch), with respect to the effective control of monetary policy. He asserted in all his dignity that we at present exercise full and complete control of monetary policy; then he proceeded to talk about contradictions, and said the only possible way we could have effective control was to nationalize the Bank of Canada.

Mr. MacINNIS: I did not say anything of the kind.

Mr. SHAW: Or rather the chartered banks.

Mr. MacINNIS: Do not misquote me and I will not interrupt you.

Mr. SHAW: Mr. Speaker—

Mr. MacINNIS: Every time you misquote you are going to be interrupted.

Mr. SHAW: Mr. Speaker, will you please ask the hon. member to sit down and stay down?

Mr. MacINNIS: Mr. Speaker, will you tell the hon. gentleman not to misquote me, and I will not interrupt him.

Mr. SHAW: The hon. gentleman used the words "financial institutions" and I take that to include the Bank of Canada.

Mr. KNOWLES: He said the chartered banks.

Mr. MacINNIS: It includes more than the Bank of Canada.

Mr. SHAW: Let us say it includes them all; it is still a contradiction.

Mr. SPEAKER: Order. I would ask the hon. member who has the floor to address himself to the Chair.

Mr. SHAW: I apologize, Mr. Speaker; I thought I was doing so. I noticed that in speaking of nationalization the hon. gentleman did not proceed to give us the excellent illustration that could have been given by dealing with the British policy with respect to the nationalization of their bank. I noticed, too, he did not go out of his way to tell us why the Labour government of Australia and the Labour government of New Zealand have not nationalized their banks. Members of the C.C.F. party usually refer to those govern-

ments as being counterparts of the C.C.F. party, but at times it is convenient to forget that expression. I noticed, too, that he did not go on and tell us about all the virtues of the Russian system of financial nationalization. There I believe he would find the only existing institution of the nature he describes and the virtues of which it would seem he extols. He also went on to indulge in the expression "socialization of the means of life," but I noticed he did not go out of his way to enlarge upon that expression. I believe he realizes as well as I do that it includes agriculture, which is one of the basic means of life in this country. When he was asked by an hon. member in this group whether it included the farms, he made some ridiculous comment about a donkey. Well, I do not think the hon. member for Vancouver East could even convince a donkey that nationalization is essential. Then the hon. gentleman went on to refer to democratic socialism. I say there is no such animal; and he has said nothing in this house today or at any other time that would serve to convince me and my colleagues that there is. As he spoke this afternoon, an expression came to my mind, a statement which is credited to Lenin; for all I know these may be his exact words: "Social democracy is a politically preposterous term. Under socialism, democracy withers away," and I agree with Lenin in that statement.

Mrs. STRUM: You and Lenin!

Mr. SHAW: The hon. member for Qu'Appelle (Mrs. Strum) has interjected an observation which brings me to a question I should like to direct to the hon. member for Vancouver East. Does that peculiar type of democratic socialism go by another name, that of Marxian socialism?

Mr. MacINNIS: No.

Mr. SHAW: To the best of my knowledge that question has never been answered by my hon. friend.

Mr. MacINNIS: It is answered now to my hon. friend's knowledge, if he has any. It does not.

Mr. SHAW: I did not hear what the hon. gentleman said.

Mr. MacINNIS: I said, "no".

Mr. SHAW: Fine.

Mr. SMITH (Calgary West): Nobody ever spoke better for Marx than the hon. member does.

Mr. SHAW: I am sure the hon. member will have some interesting words for the hon. member for Skeena (Mr. Archibald), who not so long ago extolled the virtues of Karl Marx right on the floor of this house and, I would almost assume, in the name of his party.

I should now like to call certain witnesses in connection with the hon. gentleman's observations respecting social credit. I wish to direct my remarks and my quotations expressly to the backbenchers of the C.C.F. party, since probably some have not had their attention directed to the debates which took place in this house about 1935. I propose now to take them back to that period. I have before me *Hansard* of March 26, 1935. Those were the days when the skids were under the Bennett government. An election was in the offing. Many people, and especially politicians, may have had numerous nightmares about that time. I hope the hon. gentleman will not attribute these words to a nightmare, because if he was not under the influence of a nightmare at that time he must be under the influence of a nightmare today. At page 2138 of *Hansard* for that date I find an amendment moved by Mr. George Coote, who, I understand, is now a director of the Bank of Canada, and seconded by the hon. member for Vancouver East. This is the amendment:

> That the amendment be amended by striking out all the words after the word "Canada" and adding thereto the following: "and would appear to be based upon the assumption that poverty and debt are inevitable conditions within the country;
>
> and whereas the real and potential wealth of the nation, based upon our natural resources and our capacity to produce, is such as to make possible an abundant provision for all the requirements of our people;
>
> Therefore, this house is of the opinion that the government should take immediate action to ensure the fullest and most equitable distribution possible of our socially-created wealth and that, as a first step in this direction, the measures which may be necessary to meet the pressing needs of the farmers and the unemployed should be financed by the social credit of Canada, thus avoiding a further increase in the debt burden of the country."

The present hon. member for Cariboo (Mr. Irvine) spoke in support of that amendment to the budget of 1935. I call the hon. member for Cariboo as a witness against the hon. member for Vancouver East, and I should like to quote from page 2323 of *Hansard,* April 2, 1935, where the hon. member for Cariboo—I do not know what his constituency was then; he has changed quite a number of times—is reported as having said:

> I submit at the outset that that remedy is one which will very soon have to be accepted not only by this government but by all governments in the world.

He is referring to social credit.

I make that prediction because in my opinion there is only one alternative to that, and that is to witness the complete collapse of civilization itself.

Those are the application of the social credit principles set out by the present hon. member for Cariboo. He went on to say:

We make this suggestion then to the government, and we solicit the support also of the opposition for a policy applied to the only problem in Canada, the problem of distributing the abundance which our natural resources, our skilled mechanics and our technical equipment make possible to our people.

In other words, the only problem is that of distribution.

This proposal assumes that there is enough and to spare of every commodity essential to life, to supply every person indefinitely; but that there is too little money in the hands of the consumers to permit the proper distribution of these essential commodities to be made.

I move on to page 2324, the same speaker:

So much, then, for the assumption that there is an abundance of supplies. As to the other assumption contained in our amendment, that there is too little money, I think the fact that there has been a shortage of money for purchasing power has been very adequately and emphatically demonstrated. I direct the attention of this house once more to the analyses and the mathematical demonstration of Major Hugh Douglas, of London, who I think has shown more completely and more thoroughly than any other economist of his time the scarcity of money and the causes of that scarcity. But he is by no means the only one who has demonstrated that fact. Foster and Catching have demonstrated it in the United States; Kitson, Keynes, Right Hon. Reginald McKenna and numerous others have proved beyond the shadow of a doubt to every intelligent student of the question that there is not sufficient money in circulation at a given time to buy the goods on the shelves at the prices at which those goods are marked, and that while that is so those goods cannot be distributed.

I have just one more short quotation I should like to make. I agree with what he said; I have no grievance with the hon. member for Cariboo.

Mr. IRVINE: Keep on; you are making a good speech.

Mr. SHAW: I hope the hon. member can convince the hon. member for Vancouver East. I quote again from page 2325:

To make the situation worse machinery is becoming more and more automatic as the industrial process goes on, and the use of solar power, steam, oil, gas, electricity has not only made it possible to produce sufficient goods with a very much reduced number of workers, but has vastly increased production, in some instances far beyond the capacity of the people to consume even if they had the money to buy the goods, which they have not. Moreover the tendency is towards further mechanical progress, which will still further reduce the number of workers required and further increase output.

And then again:

Being unable to find markets at home through lack of purchasing power as I have described, the producers of all nations enter into keener competition for whatever foreign market there may be, thus the economic basis of war.

I should like to be able to read all the hon. member's speech because I think it was an excellent one. I think he delivered that speech only after the most careful study. I am sure that when he made the speech he was absolutely convinced, because I am satisfied that he would not have made it unless he were. I come now to the vote on that amendment. Here are the yeas:

Messrs. Coote, Gardiner, Garland (Bow River), Heaps, Irvine, Lucas, MacInnis, Miss MacPhail, Mitchell—

I will refer to that in just a moment.

Speakman, Spencer, Woodsworth.

The Gardiner mentioned is not the present Minister of Agriculture, but the Mitchell referred to is the present Minister of Labour. I say that he, by virtue of having supported that amendment, has declared along with the hon. member for Cariboo that this is the alternative to the collapse of civilization. I should like to go on quoting because I want to show the hon. member for Vancouver East that when it comes to going back into the archives and digging out dusty books we are ready to engage in such a contest with him at any time. I am sure that we shall be able to bring forward assertions and things which are more embarrassing to him than anything he can direct at us.

Mr. MacINNIS: There is nothing embarrassing yet as far as I am concerned.

Mr. SHAW: Was he having a nightmare, or is he having a political nightmare now?

Mr. JOHNSTON: Political jitters now.

Mr. SHAW: Things of this kind remind me that in one of the states of the United States—I do not remember which one at the moment—a professor of pharmacy is working on what I think they call a system of odoriferous advertising, and with a considerable amount of success. After listening to the hon. member for Vancouver East tonight and after watching the developments of their organization over the years, if we apply that newly determined practice of odoriferous advertising, then their programme or platform will smell to high heaven.

I should like to deal now with things more pleasant. During this debate, repeated reference has been made to our war veterans and

their general rehabilitation. I listened with dismay the other day to the frank and honest admission by the Minister of Veterans Affairs (Mr. Mackenzie) that things were not all right with all veterans houses. I think it was the honest thing for the minister to do to make that statement on the floor of this house, but I would submit that the defence which I have noticed already in the papers, namely, that there was a lack of suitable materials and competent workmen, does not stand up very well.

If we go outside the activities of certain of these contractors we shall find that, with the same materials and with the same so-called incompetent workmen, houses have been built which are a credit to the builders. I am thinking for the moment of the small holdings set up near the city of Red Deer. Those houses were constructed in an excellent fashion and they are a credit to those responsible for their erection and for the supervision. I say, therefore, that the contractors cannot take refuge in the assertions that they are now making.

I regret that all the people of Canada—I believe that was the expression used by the Minister of Veterans Affairs—will have to pay the seven or eight hundred thousand dollars needed to put these houses in a state of repair. Possibly that cannot be avoided, but personally I wish to say that the taxpayers of this country are not going to look with any degree of happiness upon that prospect. As I have said, the houses on the small holdings at Red Deer were well constructed. Unless we are extremely careful I am fearful that those veterans will encounter difficulties in paying for these homes. Unless we establish guarantees essential to the economic welfare of these boys, they will find the handling of a $7,000 or $8,000 debt a colossal undertaking.

With respect to land settlement under the Veterans Land Act, at first there was a good deal of criticism with regard to the slowness of the inspections of land which these veterans had applied for, and there were a certain number of complaints with regard to the rejections. But I wish to pay a compliment to those persons in the soldier settlement board office in Red Deer. We live in an exceptionally fine part of Canada. It is one of the finest mixed farming areas between the two coasts, and consequently we have had a tremendous number of applications from ex-service men for settlement in that area. Considering all handicaps I think the responsible officials have done an admirable job in handling their inspections and everything else relating to these applications.

We should have learned something from world war I, and I think we did. It is no kindness to put a man on a piece of land that is not agriculturally productive. We saw that happen all through my part of the country after the last war. I think it is wise to guard against a thing of that kind happening again, and generally speaking I believe they are guarding against it in that part of the country. On the other hand, however, unless we are prepared to do something to guarantee a stable price structure for agricultural products, I fear that the majority of these boys will lose their title to their properties after they have fully paid for them and that many of them will never be in a position to pay for them fully. These veterans can certainly be crushed under their debt load just as thousands of veterans were crushed under their debt load after world war 1. The realization of this fact impresses upon one more and more the importance of sections 1 and 2 of the social credit amendment to the amendment.

Finally, with respect to these veterans, may I say that I am pleased with the exceptionally good work done in most of these vocational schools across the country. We have one of them in Red Deer and it is functioning admirably. The results that are obtained from the type of instruction given there will never be fully known.

I have spoken favourably about those things of which I could speak favourably. I now have two criticisms to make and I hope they will prove to be constructive. The first has to do with veterans' education, and the second has to do with the Veterans Business and Professional Loans Act.

We all know that students, following high school graduation, during the war enlisted in great numbers in the Canadian armed forces. Some of these boys spent five or six years in our armed services and, upon their return, many of them made application for university entrance. After months of delay, many of them were advised that they would have to take certain brush-up tests, and I say to you, Mr. Speaker, that they were not given an adequate opportunity of preparing properly for these tests. As a matter of fact, some of them had only two or three weeks in which to prepare to write tests for three days upon all they were presumed to have learned while attending school. That was not fair. A great many of them failed, or at least the results indicated that they would have to proceed to take a course in the veterans high school in the spring. Many of these lads are now in these veterans high schools, where a cramming, jam-

ming process is going on which I say it is not fair to many of these ex-service men. You cannot expect them to absorb the great masses of material which they are asked to absorb in such a short period of time in order to qualify to enter our universities.

Moreover, our universities are demanding a higher standard from our ex-service personnel than they are demanding from civilians. I ask, why? I am not complaining if these veterans are forced to attain the same standard in their examinations as the non-veteran, but they are required to attain a higher standing to remain in the universities. That is the rankest type of discrimination. These boys have benefited in many ways through being in the armed services. They have travelled and associated with their fellow men, which in itself is one of the finest forms of education, and they go into these universities better qualified to take these courses than many civilian boys and girls who are just leaving high school and going into the universities.

Overseas the Canadian army educational services functioned. I do not want to be too critical, but I must draw this to the attention of the minister and ask for an explanation. Many of these boys left high school to go into the armed services, and many of them lacked one or two credits for university entrance. While overseas, they took through the Canadian army educational services what they believed to be qualifying courses to enter a university. Many of them came back as late as last summer and made application for university entrance and were told point-blank that the courses they had taken were not courses which qualified them for university entrance. I wonder how widespread that condition was. I have several personal cases I can bring to the minister's attention.

Mr. TUCKER: Has the hon. member addressed any of these questions to the department?

Mr. SHAW: I shall not presume to answer that question offhand. I am usually in the habit of directing my problems to the appropriate ministers. Anyway we shall talk that over. I wonder if some of our universities were deliberately endeavouring to keep some of these boys out. I hope they will answer that question. Some of these boys wanted to take medical courses. They are now in veterans high schools and they are being told by the universities, "Why don't you take a B.A.?" A B.A. is, in my opinion, as useful as an O.B.E. when it comes to earning a living The universities should not be endeavouring to put pressure on these boys to take the B.A. course when the boys I think of particularly, are anxious to take a medical course and will make good doctors, and surely Canada is in need of more doctors. I hope the minister will give this matter some consideration.

I should now like to turn to the Veterans Business and Professional Loans Act. I am glad the minister is here because this is another example of discrimination. I understand that this act was passed last year but did not become operative until this year; on January 15, someone suggests. Most of our boys came back before 1947. They were anxious to become reestablished and had to grab business opportunities as they came to their attention. Many of them went into business and put all their personal capital into an enterprise. Some of them borrowed from the banks and other lending institutions on very short terms. Now these lads have come forward and made application to secure a loan under the act to spread what they have borrowed from the lending institution over a longer period of time. They have been told: No, there is no provision in the act for that purpose. One of the minister's officials—I do not believe in quoting from letters I have received—did indicate to me that, while certain amendments might be made to the act later on, there was no possibility of the government looking upon such an amendment with favour. Personally I think he stepped just a little bit out of his proper sphere. After all, I think we should be the ones to determine that as a parliament of Canada operating in conjunction with the government.

Let me just suggest one case, Mr. Speaker. Here are some lads who put $10,000 of their own money into a newspaper business. This business had functioned successfully for years and years. These boys had to step out and borrow $10,000, which has to be repaid in five years. Naturally that will prove extremely burdensome to them, but they cannot secure relief under this act. I say to the minister that unless there is some extremely good reason for not doing so, the act should be amended to make provision for such cases. The rate of interest would likely not be any lower. The rate of interest under this act is, I believe, five per cent. They are paying the lending institutions five per cent. Let me go on record as asserting that that is altogether too high beause many veterans and non-veterans are borrowing from certain institutions and individuals at rates of interest considerably less than that and the govern-

ment is also offering lower rates of interest on certain of its own transactions as a government.

I feel, Mr. Speaker, that I should move on. I hate to be accused of having taken up my full time just because I am allowed forty minutes. I have enough notes here to go on for possibly four hours, and therefore I believe I would be justified in proceeding for the other seven or eight minutes. I wish to say a word or two about the amendment, not the amendment to the amendment but the amendment itself. We feel that our social credit amendment to the Conservative amendment is necessary in the light of the negative character of the Conservative amendment. We are offering no argument against the Progressive Conservatives' right to offer such an amendment, but I am convinced that a concise alternative to government policy should have been presented.

Since the amendment does not contain an alternative proposal, it must be assumed that I am being asked to vote want of confidence with the suggestion that if the house and the country have no confidence in the government, then they must have confidence in the Progressive Conservative party. I say that that is a wrong assumption. I am not going to vote in such a way as to put myself in a position of being accused of that because, in the light of their declared policy, I for one cannot accept the Progressive Conservatives as an alternative to the Liberal government. My constituents are not prepared to accept them as an alternative, and I am convinced that the people of Canada are not prepared to accept them as an alternative unless they are prepared to add to the policy as we see it, by giving their support, not to a negative amendment, but to a positive one which we have when we take the Conservative amendment amended by ours.

I am satisfied—and I know hon. members across the way will not like this—that this government does not enjoy the confidence of the people. In fact, I would not have to spend much time looking into the crystal ball to satisfy myself that a 1947 election could well result in the virtual annihilation of the Liberal party.

Some hon. MEMBERS: Oh, oh.

Mr. SHAW: I said that was my personal conviction, and any interjections that come from the political wilderness on the opposite side of the house will not change that personal conviction at all. Everywhere in the country the government is being accused of being unable to shake off the war complex. Personally I think that is a legitimate charge. While most Canadians, in my opinion, recognize the continuing necessity of certain controls, they are charging the government with the maintenance of certain ridiculous controls and regulations which are stifling production and distribution. I believe there is ample reason for arriving at that conclusion. For example, it reminds me of something that took place back home. Here is a great locker system with over 300 lockers. The farmers own these lockers. A farmer butchers his own animals. In the first place, he cannot get all of his meat into his locker. I presume he has to get rid of it by bootlegging it or selling it on the black market. I am not saying he does that, but I am saying it may happen. The boards will not grant to that institution a slaughtering permit in order that one farmer who butchers more than he requires may sell part of it to another fellow who owns a locker. It reminds me of something I read the other day. It was said that inspectors from the wartime prices and trade board swooped down on the farmer's house and they said to him, "Where in the world did you get all the meat?" He said, "Well, I found it necessary to butcher the whole animal at one time." There is a lesson in that.

It is asserted by many people in this country that the financial policy of this government has resulted in a national debt of staggering proportions. It takes no imagination to know that. This debt commands an annual interest tribute almost equal to our total national expenditures of ten years ago, and they look upon it as being a tragic situation. That is the reason they will, I was going to say—this is a bit crude—boot you fellows just about as far as you can go unless you mend your ways. I say it is a rather crude expression. I do not like to use it, but I think hon. members will agree with me that it is highly descriptive.

My next reason may be called a subsection of the previous one. The tax burden which has been allowed to pyramid until today it threatens the economic structure of Canada stands as the greatest single guarantee, in my estimation, that more and more Canadians will sooner or later become serfs in what we commonly boast of as a free democratic Canada. All you have to do is to see what is happening. All across the country taxes are going up and up until today property becomes virtually a liability. I should like to give two more reasons why these people across the way will likely be defeated.

Some hon. MEMBERS: Go ahead.

The ACTING SPEAKER (Mr. Golding): Has the hon. member unanimous consent to continue?

Some hon. MEMBERS: Yes.

Mr. CRUICKSHANK: Do not boot us too far.

Mr. SHAW: I just have two more points which I think are essential to my argument. Canadians have resented the reluctance on the part of the Canadian government to assist more substantially, or let us say substantially, because there is not much assistance, in the field of public education in order that we may ensure equality of opportunity and the maintenance and development of our public educational services in the country. Do not let anyone say that I am advocating that we take from the provinces control of their educational system. No; these are grants, we say, and that is what the Canadian people are asking for. Canadians resent the fact that this government has failed to establish old age pensions at a level designed to guarantee a decent standard of living and security for our pioneer citizens. In conclusion, is it any wonder that more and more rank and file Liberals across the country are crying, "Let us return to true Liberalism." Is it any wonder that so many of the Liberal leaders are crying for a return to true Liberalism. I come from a Liberal family.

Mr. CRUICKSHANK: Why did you leave?

Mr. SHAW: I could probably devote another forty minutes to that.

The ACTING SPEAKER (Mr. Golding): Order. The hon. member's time has expired.

Mr. SHAW: I wish to close with this one sentence. Liberalism, as I knew it once upon a time, was presumed to stand in defence of the individual against the state. Today it is the reverse.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I congratulate the hon. member for Red Deer (Mr. Shaw) on his fine speech, and I agree entirely with the last sentence he used. There is something which worries me a lot, namely, the number of people who did not vote at the last by-elections. If we take for instance the constituency of Parkdale we find that out of a total of 41,087 electors on the list there were 17,118 who did not vote, and the elected member secured 8,212 votes; meaning by that, that the number of those who did not vote exceeded the total vote cast for him by 8,906.

It was the same thing in Pontiac, where the total number of electors was 49,435 and those who voted numbered 32,124; meaning by that, if I count the rejected ballots, that 17,002 did not vote, and the elected member secured 11,412 votes, which means that the excess of those who did not vote was 5,590.

In Richelieu-Vercheres the situation was different. The total number of electors was 25,718; the votes cast, 20,263, and the difference was 5,455, while the elected member secured 11,984 votes.

In Portage la Prairie the total number of electors was 16,535 and the total vote was 11,941, including rejected ballots; meaning by that, that those who did not vote numbered 4,594, while the elected member secured 4,805 votes.

To summarize, in Parkdale 17,118 did not vote, or approximately two-fifths; in Pontiac 17,002 did not vote, or more than one-third; in Richelieu-Vercheres 5,455 did not vote, or one-fifth; and in Portage la Prairie 4,594 did not vote, which meant more than one-fourth. The total of those who did not vote in the four by-elections was 44,169.

It is all the worse because these lists were made immediately before the election, which means that these people were not interested in any of the candidates although all the parties had candidates in the field. It is pitiful to consider that, because this indifference to dominion politics is quite alarming. It is as bad as what happened in France. In France the people were saying, "I don't care; it is the business of the politicians. Je m'en fous". "I don't care". The result was communism, social trouble, ruin, famine and despair.

It is important that the Canadian people be informed about dominion politics. They can get information in *Hansard,* but unfortunately the English press is lacking in that respect. The French press in this country is much more informative about dominion politics than the English press. The night before last I had a conversation with a big newspaperman who told me that the people did not care. Of course the people do not care, for a very good reason. They have no information, and they look at the funny sections of the press and read sensational reports about murders and other things like that.

The house has done a very good job since the beginning of the session. The members have worked hard and those who have spoken have done so very well. Some legislation has been passed and I give credit to my colleagues for that, but I find that very often the discussion is purely academic. There are some interruptions at times and some members express loudly their views, which are different from those of the speaker. It is natural. It is just a way of expressing oneself and telling

the speaker that one does not agree with him. Although I do not indulge in those practices, I understand them and am quite tolerant of them, and I try to be as kind to the house as the house is to me.

But the Canadian people, even those who are not informed by the press, read *Hansard* and know to some extent what is being done here, and they have respect for members of parliament individually. But I do not know whether they have great respect for our parliamentary institutions, and it is a question of great concern. One thing that is of great concern is that when they abandon their former political affiliations they try new groups and new parties. I understand that, because when they are not satisfied with the leadership of their party they do, like my hon. friend the member for Red Deer, join another party and try to make the best of it. But I will tell him that the main thing is to try to reform the Liberal party from within or from without, because the Liberal party has a background that is still popular, and the Liberal party can do something for the future of the country if we get rid of the obnoxious elements within it.

I have been very patient for fifteen years, but I cannot understand the idea of being more conservative than the Progressive Conservative party, more socialistic than the C.C.F., and more optimistic than the Social Credit party.

Mr. LOW: Peptimistic.

Mr. POULIOT: Optimistic. You know, Mr. Speaker, there are strange things at times. Is it possible to have a government composed of men who have not the same ideals to govern this country? When that is the case, those who represent the real Liberal tradition have to make concessions to those belonging to another faith. Liberalism has been excellently defined by my hon. friend who has just spoken. Liberalism is the friend of the individual, the promoter of private initiative, and the defender of decentralization. These are all principles of the Liberal party, and, besides that, the policy of the Liberal party is supposed to be 100 per cent Canadian policy. It has not always been so, just because the party was catering to hon. gentlemen who lead the opposition. I fought them since Mr. Arthur Meighen was leader of the Conservative party. I fought them all. I fought Ferdinand the Bull. I was very well received by the house but I had no success. Why not? Because in this country there is a propaganda which is just as bad as the one in other parts of the British empire. In India, the Indians do not have the right to vote as citizens of India. They vote as Moslems or as Hindus. They vote according to their religion. In Palestine they vote according to their race. Here in Canada we have a racial problem. On one side we have those who say that they are British, and of course they see everything from the British point of view; there are others who are like the negroes of the south. No question is considered objectively, and I regret that very much.

What did we gain in the international policies of the world? There were promises made to us. We had the promise that Mr. Pearson, who apparently is an able man, would be secretary of the united nations organization. He was not. But we had compensation. We were told that we would be on the security council. But we were not there. That was another disillusionment. Afterwards we were told we were to dictate the peace to Germany. We were not invited there any more than we were invited to Teheran. As Mr. Cardin so well said, we should not be sorry about it because we had no reason to be there since we were not invited to Moscow. But still we go on, and some members on all sides of the house are offended because we are not invited. We are invited when we have gifts, but when we have no gifts we are not invited.

During the war, and even last year I was often alone in standing against the financial policies of the government; they were absurd policies, destructive of the wealth of the nation. You know very well, Mr. Speaker, that when the tap on the lower floor is wide open, the tap upstairs does not run so freely. We were giving money freely to all the nations of the world—Great Britain, France and other nations—while our own people were still suffering. In front of my office today I saw notice of a meeting of the world health conference. Think of that! Yet in this country there are poor people who are sick and who have no help at all; but they are Canadians. We will look after those from other countries first. I am sorry about that, but there is a ray of hope everywhere and the ray of hope is that in the near future I trust the burden of taxation will be so heavy that those who have racial differences of opinion in prosperity will come close together in adversity to oppose that burden. Perhaps that will be the only good effect of the heavy taxation which is being imposed on this country. If it brings good understanding amongst good Canadians it will have served a good purpose. But I am not in favour of high taxation.

Something which does not exist in this house but which exists in this country is a strong Canadian feeling, the desire to promote Canada and to raise it from the small country that it is now to one of the biggest countries in the world. That will be done by trade. It will not be done by ambassadors some of whom are just the butlers of the British ambassadors. It will be done by true Canadian ambassadors who are promoting Canadian interests throughout the world, ambassadors of good will to promote trade; and I do not mean the trade of Santa Claus, exports that we pay for ourselves from the taxes that we collect from the Canadian people, but real bargaining, real trading and perhaps real bartering if the money scheme we have under the Bank of Canada or the one which my hon. friends of the Social Credit party are expounding is without any good results. We must have trade. We must have economic independence; and if it is impossible to have economic independence without political independence, let us have them both and let Canada go forward while Great Britain is on her decline.

We had a sad performance with regard to the Canadian flag. In 1945 I said that it was too soon to have a flag of our own and that if we were a colonial country, as Canada is now, instead of a truly Canadian flag, we should have a union jack larger than the one of standard size. But times have changed during the last year or two, since that was said in the house, precisely on account of the burden of taxation. We see important bodies like the chamber of commerce, boards of trade and other institutions coming to the government and insisting on a reduction in taxes. As I once said to the leader of the C.C.F. party, those who voted for the loan-gifts cannot complain about taxes, but I can. Those who voted against the gift can complain against taxation, but those who voted for it cannot, without being called illogical.

What we need in this country is a truly Canadian flag. We need a Canadian anthem. I am very sorry to see that somewhere in the west some men were arrested by the Royal Canadian Mounted Police precisely because they were calling for "O Canada" as the national anthem. There was some protest by some friends of mine. I have one here in my hand. How is it that in this country men are put in gaol by the Royal Canadian Mounted Police because they insist on singing "O Canada?"

I still have hope for the future, but my mind is not satisfied; and I have been fighting for a long time to try to awaken the government, to try to open their eyes, telling them that the more Canadian the government is, the more popular it will be because of the response of the Canadian people who are eager to see this country the greatest in the whole world.

Mr. SMITH (Calgary West): Will the hon. member permit a question?

Mr. POULIOT: Yes.

Mr. SMITH (Calgary West): Where was it that the people were put in gaol by the Royal Canadian Mounted Police because they sang "O Canada"?

Mr. POULIOT: I will read the letter which was sent by a friend of mine, Mr. John R. Spendlove, addressed to the R.C.M.P., "C" division, Place d'Armes, P.O. building, Montreal. The letter refers to civil investigation bureau, divisional file No. 41M269-3518, HQ file No. 41D 269-3D178. I intended to make a shorter speech, but if hon. members desire to have this letter read I will put it on record.

Some hon. MEMBERS: Read it.

Mr. SMITH (Calgary West): I merely asked where it was.

Mr. POULIOT: The letter reads:

Dear Sir:

(Inspector N. Courtois)

Your letter of March 7 received, and I was favourably impressed by the way your Constable Racine carried out orders which impress me most unfavourably.

If it is wrong to express a preference for "O Canada" as our national anthem, why do you not investigate and start a file on our world champion skaters, for whom "O Canada" was played by bands in foreign cities as our national anthem?

In many cases the mere fact of the R.C.M.P. calling on a person and starting a file on him, would hurt him greatly. In my case, living at home, it has not injured me.

I am a war veteran, volunteer, and I resent being investigated and having a file started on me for expressing my admiration for two courageous persons who had the audacity, the impertinence, to state that they were Canadian citizens, not British subjects, and that their national anthem was "O Canada."

I suggest that the person responsible for this crazy order come to Montreal and investigate the theatre managers who play "O Canada" as our national anthem in their theatres.

In his covering letter to me this gentleman also says:

I had written the R.C.M.P. officer in charge "K" division, Edmonton, asking the address of and expressing admiration for two men, Messrs. Boreen and Henry, who insisted forcibly, that since "O Canada" was our anthem and that they

were Canadian citizens, a certain orchestra must play "O Canada." They were sentenced to a fine and jail. This was some months ago.

You know, sir, this is pitiful. I understand that it did not happen in the city represented by my hon. friend who interrupted me, but this is a disgrace to our country.

I shall explain why I intend to vote against the two amendments. In the first place, I cannot understand the meaning and purpose of the Social Credit amendment at this time, any more than I could on other occasions. That may be a deficiency on my part. I see a lot about production; I see a lot about purchasing, but I do not see anything about distribution, which is the link between production and purchasing. I would say to my hon. friends of the Social Credit party with all due respect that they remind me of newlyweds who, on the day of their marriage, are given a beautiful car by their parents. Some friends attach old cans and old shoes to the back of the car, which make a lot of noise and stir up a lot of dust. These are the theories of the Social Credit party. It is unfortunate, but that is my belief.

If I may be permitted to say a word about the amendment of the official opposition, my point of view is that, while I have a soft spot in my heart for my Liberal colleagues, the policies of all parties are alike and they all vote together on the main issues. Therefore I do not understand why any opposition group should run an opposition candidate against a supporter of the government in any by-election or even at the next general election, because they all vote together. I warned them time and again that such policies were dangerous; they all voted for them. They all voted together; they all shook hands. I suffered a personal insult when the hon. member for Calgary West (Mr. Smith), held out an olive branch to the Liberal party and said we should all come together. Has the Liberal party fallen so low as to be asked to unite with the Tory party? It is an insult, to me; it is a slap in the face, and I am greatly surprised that the matter has not been referred to by anyone before this time. Since all parties have voted together, and since the Liberal party has been wrong in following the advice, the wrong advice, the pernicious advice given by Mr. Hanson and all the leaders of the Tory party, I do not see how the present leader of the opposition (Mr. Bracken) can rise in his place in this house and say, "We do not have confidence in you. We have no confidence because you have promoted our policies." This is the reason I have voted against the policies of the government; because they were Tory policies, policies to appease the Tory leader of the opposition. As a Liberal I stood against them, and I am still against them. It would be absurd for me to support the amendment of the leader of the opposition, any more than I could support the subamendment of the Social Credit party.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, I did not intend to take part in this debate, but in view of certain articles appearing in a New Brunswick newspaper which reached me yesterday, one of which I intend to quote to the house, I deem it my duty to bring to the attention of the government a situation which has recently developed at the port of Saint John, and which may adversely affect its welfare and is of deep concern to its citizens. I believe this matter is also of importance to the port of Halifax, since it may affect shipping through both these Atlantic ports when the seaports of the St. Lawrence river are locked in ice.

The matter to which I refer is the diversion of cargo ships from Canadian ports, either Saint John or Halifax, to the United States port of Portland to load grain for shipment overseas. A press dispatch from Portland last week announced the diversion of these ships. I know of no better or more succinct way of bringing this matter to the attention of the government than by quoting from an editorial which appeared in the *Telegraph-Journal*, published in the city of Saint John, under date of last Saturday, In passing, I may say that this newspaper does not support his Majesty's loyal opposition but is independent in politics. The editorial is headed, "Canadian ports must fight this threat", and reads as follows:

> The chairman of the port committee of Portland, Maine, announced yesterday that 1,000,000 bushels of Canadian grain would be shipped through his city in the next month.
>
> A dispatch quotes him as saying that he and the Portland chamber of commerce had offered "to assist Canada in a shipping emergency caused by the box car shortage" and had approached the dominion government, which had promptly assigned three ships to Portland to load for Europe.
>
> Now, nobody can blame this gentleman and his associates for trying to drum up business for their own port, but the federal government is to be condemned in the strongest terms for accepting this "kind assistance." The grain that is sent through Portland obviously won't be sent through Saint John or Halifax. That means that Canadians will lose work and wages to which they are entitled—and lose them to the labourers of a foreign country.
>
> We have been through all this before—the rivalry between Canadian ports and those of the United States. In central Canada there seems to have been a long-time conspiracy to deprive our waterfront workmen of a livelihood.

Our people fought this once, and beat it, and they must stand ready to fight it now and in future if the ports of Saint John and Halifax are to survive. The Portland shipments, transparently disguised as an emergency, must be viewed in their true light as an underhand effort again to divert to United States competitors the trade on which our existence depends.

The threat is serious and real.

If there are box cars to carry grain to Portland, there are box cars to carry it to Saint John and Halifax. The saving in mileage as between Portland and Saint John is too trifling to be considered and certainly does not constitute a valid excuse for the double-dealing aimed in our direction.

At the very hour when the announcement was being made in Portland, we had ships waiting in our harbour, unable to get grain. They were losing time and money—a situation not calculated to promote increased traffic for this port—and the official explanation was that box cars weren't available to bring grain here.

No box cars to bring grain here! But box cars to carry 1,000,000 bushels to Portland, where the first of three ships is to start taking on Canadian grain cargo Monday! No situation could be more ridiculous or unfair, and if Ottawa expects us to put up mildly with treatment of this kind it gravely misjudges the temper of this part of Canada.

Back in 1931, the famous English port authority, Sir Alexander Gibb, was brought to the dominion by the federal government to make a survey of national ports. He found that Saint John and Halifax had suffered heavily from "the actual diversion of great quantities of Canadian grain to United States ports."

Sir Alexander said in his report:

"Apart from sentiment and patriotism, there are moral and national, as well as some sound business grounds, for the maritimes claim that the grain trade, which is already in many ways subsidized by dominion funds, should utilize to a greater extent the facilities that have been established for it at a considerable expenditure of dominion money."

The sentimental, patriotic, moral, national and business grounds are the same today as in 1931.

And the dominion government must be compelled to recognize them!

During the war years, when our transportation systems were taxed to the limit no situation of this kind arose, and an explanation is called for as to why such a situation should develop nearly two years after the war in Europe has ended.

When the war was on we heard no complaint of a lack of box cars. Evidently there were enough cars to do the job, and a big job it was. An explanation is needed as to why there is a car shortage at the present time. Box cars must have been built during the war years and in increasing numbers since the war has ended to replace those that were worn out and to increase the number in use. It is not unreasonable to ask how those cars are being used.

[Mr. Hazen.]

If the coal strike in the United States last summer or the seamen's strike on the great lakes was the cause of a lack of grain coming to our elevators on the Atlantic coast this winter, a complete explanation of the matter should be furnished by the government.

The government should give a satisfactory explanation, if it has one to give, of how grain could be moved from the prairies to Portland, Maine, when it could not be moved from the prairies to the port of Saint John or the port of Halifax. What the people of my constituency want to know is this: Does the dominion government intend to divert trade permanently from Canadian Atlantic ports during the winter season to United States ports? The editorial from the *Telegraph-Journal* which I have quoted says:

> The Portland shipments, transparently disguised as an emergency, must be viewed in their true light as an underhand effort again to divert to United States competitors the trade on which our existence depends.

Is it the policy of the government to divert Canadian trade to United States ports, or is there merely a transfer of three ships to Portland, Maine, to meet an unusual and temporary situation? If this is the start of a new policy, it will have to be fought. Canadians must see to it that Canadian goods are shipped through Canadian ports.

Mr. W. F. KUHL (Jasper-Edson): Mr. Speaker, the hon. member for Temiscouata (Mr. Pouliot) stated, at the conclusion of his remarks, that the reason he was going to vote against the social credit amendment was that he was still unable to understand what was involved in the amendment as well as in the social credit proposals. He claimed that he did not understand them any better today than he did ten years ago. The only remark I would care to make with regard to what he alleges as his reason is that "a man persuaded against his will is of the same opinion still."

I feel that the situation in this chamber as at present constituted is not conducive to the acceptance of new ideas. I think it has been quite evident for many years that, regardless of how sound the proposals are that may be advanced in opposition quarters, it is rarely the case that they are accepted by the government in power. All of which leads me to the conclusion that our political system is due for a change if democracy is to function more effectively. My personal feeling is that, so far as the results to the Canadian people are concerned, what we witness here from year to year is largely a farce. It makes no difference what the government brings down in the way of legislation, we

know beforehand the government supporters are going to support it. It makes very little difference how many arguments are advanced by the opposition with respect to what they consider defects or improvements, for very few changes are made. So the conduct of the business of this house resolves itself largely into one of jockeying for political advantage. Consequently I feel that the time has arrived when some radical changes will have to be made before the people of Canada enjoy a genuine democracy. I am gratified personally to observe that there is a movement on foot in this country which, when it reaches full fruition, will, I think, bring about the necessary parliamentary reform. I do not believe that the people of any country can obtain the results which they unitedly desire under a political party system. I feel that the political party system has outlived its usefulness and must be supplanted by a new system.

Mr. MacNICOL: What would you suggest?

Mr. KUHL: I intend to suggest an alternative before I conclude my remarks. What I am saying now is in criticism and comment on the remark provoked by a statement by the hon. member for Temiscouata.

It is my purpose to confine my remarks largely to the last section of the amendment moved by the leader of my group, but, before I do so, there are one or two general remarks which I should like to make with respect to the first sections of that amendment. I feel that these sections have been adequately and ably dealt with by my colleagues who have preceded me and anything I wish to say upon them is merely for emphasis and for personal gratification.

I believe that my colleagues have diagnosed the economic ills of this country correctly, and that the remedy which they have proposed is the proper one. Notwithstanding everything that is said to the contrary, I believe that the debate has definitely indicated that our troubles are largely if not entirely confined to monetary policy. All reforms I believe wait on monetary reform. I am quite convinced that the only manner in which the trend toward centralization of power and control not only in this country but throughout the entire world can be halted and eliminated is through monetary reform. The first section of the social credit amendment I believe indicates this fact when it urges "the return to parliament of complete and effective control of Canada's financial policy".

Section 91 of the British North America Act gives the dominion parliament exclusive authority over the matter of money, all money, in the nation. The hon. member for Vancouver East (Mr. MacInnis) argued that we had complete control at the present time, or at least that the control was vested in parliament but that it was not exercising that control in the interests of the people. On that point I quite agree with him. I consider that the piecemeal surrender of the crown's highest prerogative, that of creating and issuing all the money of the nation, is one of the most wicked deeds that has been perpetrated in this nation of ours. I have previously quoted that great American statesman, Abraham Lincoln, upon the significance of the crown's prerogative of creating and issuing the money of the nation. I wish to repeat what he said, because I feel that it is the most important aspect of our national economy that can be considered. I am positively amazed, I am shocked, to observe the attitude not only of members of this house but of many people outside when one refers to the fact that the government should be the sole issuer of the money of the nation, or that it is advisable or desirable for the government to be the issuer of the money of the nation. Immediately that is suggested, you hear people on every side make remarks about funny money, rubber money, printing press money, and kindred remarks. That is a tragedy to me, because it indicates that we have drifted so far away from what constitutes the rights of the people that we are calling that which is wrong right. Today there are many who look upon the state issuing of money with suspicion, whereas actually the state should be the only authority to issue in the original instance all the money of the nation. But we have descended to the point where today the vast majority of the money, one might as well say all the money of the nation, is created and issued in the original instance by private individuals. I consider that one of the grossest crimes which have been committed in this nation. Abraham Lincoln said this:

> 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. The people can and will be furnished with a currency as safe as their own government. Money will cease to be the master, and will become the servant of humanity. Democracy will rise superior to the money power.

Surely that is of great importance. I do not think there should be any question whatsoever of the desirability of the government being the creator and the issuer of the money of the nation. It should be taken for granted that

the creating and the issuing of all money in the original instance is the prerogative of the crown. But that prerogative has been surrendered piecemeal over a long period of time to private individuals, and that should never have been permitted to come about. As a consequence of this betrayal, and I consider it a betrayal, of public trust we have reached the position referred by my colleague the hon. member for Red Deer (Mr. Shaw), where the people of this country are almost submerged in public debt, public debt which is absolutely inexcusable and unnecessary. I say, sir, that a national debt in this country is a national lie. It should never have been permitted to arise in the first place. If successive governments of the past had been faithful to the sacred trust reposed in them we would never have had to submit to a national debt; for a country, any country, whether it be Canada, the United States or any other which is rich in resources, rich in skill and knowledge on the part of its people to process those resources into finished products, does not require a national debt. The alarming feature in this situation for the future is that some day this inexcusable situation will be made the excuse for depriving the people of this country of what little liberty they still enjoy.

We saw what happened in the old dominion of Newfoundland as a consequence of that debt-creating policy. At one time they enjoyed the privilege of electing their own parliament. Today they are without a parliament. Their parliament was dismissed and substituted for it was a financial dictatorship. The reason given was that the people were unable to manage their own affairs. We had an argument similar to that in Canada prior to the war, and no doubt within a few years it will be raised again. There was an argument abroad that we had too much government in Canada. Ten governments were too much, too expensive, a luxury that we could not afford, and there was an agitation to attempt to eliminate the provincial governments and concentrate all control in the central government. That is certainly a totalitarian trend and I am fearful that, if this debt-creating policy is allowed to continue, before long we shall again be confronted with such an agitation.

If the governments of the past had been faithful to their trust and had not surrendered to the private banking institutions the crown's highest prerogative we would not today be witnessing the dominion-provincial controversy which has been going on for some considerable time. I believe that the difficulties which the dominion and the provinces are now involved in would have been largely obviated, if not completely, if the central government had remained faithful to its trust. So far as the controversy itself is concerned, I wish to make this comment. I believe that the dominion government is completely in the wrong and that the provinces are completely in the right. I feel that the dominion is adopting a dog-in-the-manger attitude in the controversy. The dominion government refused to eat the hay which they have themselves; they will not allow the provinces to eat it, and they are seeking to filch from the provinces what little hay they have. That certainly can be characterized as a dog in the manger attitude.

So far as any solution is concerned, with respect to rearranging tax fields, I am sure it must occur to any person who reasons logically that there can be no solution by merely rearranging the tax field, because in the final analysis it is the same set of taxpayers who foot the bill whether the provinces collect the taxes or the dominion collects them. I am not going to make any comments concerning the nature of the tax agreements. I think there are more vital issues involved. What I object to mostly in the arrangements that are being made is the trend toward centralization in the central government, which certainly means the loss of freedom to the provinces. It is the duty of the dominion government to exercise the crown's highest prerogative not only in the interests of governing the country from the point of view of the dominion government but also in the interests of the provinces themselves.

If the dominion exercised its prerogative the provinces could be kept continuously supplied with all the financial assistance they need to enable their people to enjoy the standard of living which is physically possible. I know that when we speak of the need of national money or the advisability of national money there are those who immediately consider that we are advocating something for nothing. That is totally wrong. We are aware of the fact that our government can no more give something for nothing than the individual can. When the national government or any other government issues money for public services it is doing nothing less than monetizing the wealth of the country. That should be done to the extent that wealth is not monetized through the regular channels of business. That raises the basic contention that we of this group have constantly made, namely that industry does not monetize the whole of the production. There is always a shortage of money with respect to the price value of goods and, consequently, when the

national government steps in and uses national money to finance old age pensions or pensions for the blind, or uses it to finance public works it is doing nothing less than monetizing the unmonetized portion of national wealth. As a consequence of so doing, taxation could be reduced; in fact it could be reduced to the point where taxation was absolutely unnecessary.

The last section of the social credit amendment calls for redefining and clarifying the constitutional rights and responsibilities of dominion and provincial governments, together with the adoption of scientific formulae for alloting to the provinces sufficient revenues to enable them fully to discharge their responsibilities without increasing the tax burden already borne by their people. If the dominion government were to exercise its right of creating and issuing all the money of the nation I do not think there would be very much of a problem with respect to redefining and clarifying the constitutional rights of the provinces and the dominion. Nevertheless there are doubtless some things which will have to receive attention; certainly it may involve constitutional amendment. I am not suggesting that they will or that they will not. One thing I am sure of is that if the provinces are to be left with the financial resources that they have under the British North America Act they will be unable to meet the obligations which they are in duty bound to carry out under the terms of that act. It will be impossible for the provinces to discharge their respective responsibilities without some additional aid. That may involve constitutional amendments, and should steps be taken in future, through a conference either of the provinces, or a combination of the provinces, and the dominion to redefine the constitutional position of the country, there are some things which I should like to say about that situation.

I believe that the constitutional circumstances of this country are such that they demand to be dealt with in a far broader manner than is generally suggested by students of constitutional affairs in Canada. I am not at this time going to enter into all the arguments I have presented on past occasions in this house on this particular subject. I do not wish to repeat, but because this subject is coming more to the fore all the time, and will become more important as time goes on, I must once again record my decided disapproval of the present circumstances and indicate what I believe must be done to rectify them.

I think it is quite inconsistent of us to go abroad in the world and preach from the housetops our faith in democratic principles and then come back home and ignore and ride roughshod over the rights of citizens, as has been done for some considerable time in this country. I wish to say, with respect to any clarifying or redefining of constitutional powers in Canada, that the only alteration to which I will give my approval and consent is one which involves a completely new constitution. I believe that the people of the country must be consulted where their fundamental rights are concerned, and in this question I feel that their fundamental rights are being ignored, disregarded and overlooked.

As I said, I do not wish to repeat all the arguments I have presented in the past as to the reasons why I advocate and urge a completely new constitution, but this I must say and repeat, that it is my firm belief that Canada has no constitution. I know that statement is always received with much scoffing, but it is true. I have argued in the past, with much evidence to substantiate the contention, that the people of Canada did not have the privilege, until December 11, 1931, of creating a constitution of their own.

I believe that adequate evidence can be brought to bear to substantiate the fact that the British North America Act was never a constitution but merely an imperial statute used to govern a colony, and it was not until December 11, 1931, through the statute of Westminster, that the control over the Canadian people was relinquished by the British people so that Canadians might establish their own constitution. That was done, I firmly believe, through the statute of Westminster. The provinces of Canada must essentially enjoy their sovereignty before they can consummate a federal union. They were not sovereign prior to 1931 and the statute of Westminster made them sovereign in order that they might federate in the manner that the fathers of confederation intended but were not permitted to do.

Since December 11, 1931, no steps have been taken to consummate an agreement in this country between the provinces, to be ratified by the people later; and, since a federal union is a union of sovereign states mutually agreeing to adopt a constitution, I assert that there is no federal union and can be no federal union. There is no constitution in this country and cannot be until the provinces sign an agreement which is submitted to the people of Canada for ratification.

I challenge anyone in Canada to produce anything in the nature of an agreement between the provinces, which was ratified by the people of Canada, and therefore I ask,

how can anyone assert that the Canadian people have a constitution when they have agreed to none?

I have had the right and privilege, along with my fellow Canadians, since December 11, 1931, to be consulted on the matter of a constitution. I have not been consulted, and I assert therefore, as I have asserted before, that as a citizen of this country, until I along with the majority of my fellow citizens have the right to mark a ballot either in favour of or against the constitution of the country, there can be no constitution.

I am not in favour of a state of anarchy continuing, which I contend is the position legally in this country. I want to see the circumstances rectified in the interests of all the people, and I want to see it done democratically. I have on previous occasions read evidence of the special committee on the British North America Act, in 1935, in which I quoted authorities who indicated how this constitutional position could be rectified. I say that, unless some action is taken, serious circumstances may presently develop in this country.

I have asserted that the only governing authorities with any legal power in this country are the nine provinces, and they have not thus far surrendered their authority. As a consequence of that position, there is developing in western Canada a new movement known as the western Canada federation, which has for its object the setting up of a federation of western provinces. I have here the prospectus which they issued. The president of the organization is John Evans, a resident of Saskatchewan since 1892, honorary president of the United Farmers of Canada, Saskatchewan section, who was at one time a member of this house for the constituency of Rosetown-Biggar, from 1921 to 1930. This western Canada federation proposes extending the boundary lines of the four western provinces up to the arctic circle. Personally, I do not think it is necessary to go to that extent to get justice on this question in Canada. I do not want to see this country Balkanized or divided up any more than anyone else does; but unless those who are responsible are going to do something to endeavour to straighten out this situation, such a thing will come about. I wish to say right here that if the people of western Canada as a majority desire to do this thing, if they wish to set up a western federation and create their own constitution, make their own laws and operate as a separate entity in this dominion, there is absolutely no legal power in the world, in this country or anywhere else which can stop the people of western Canada from doing that. In my opinion they have the absolute legal right to consummate a western Canada federation if they wish to do so.

Again I am not saying that I am in favour of dividing the west from the east, but this constitutional controversy is a burning issue in this country. I have done my level best to suggest ways and means by which it can be settled in the interest of all sections of Canada, but thus far there has been very little support in this house. I am satisfied that, as more of the people of Canada become acquainted with the constitutional position in this country, they will demand that appropriate action be taken. As I indicated at the commencement of my remarks, the only clarification and redefining of the constitutional issue to which I will lend my support is that which involves a completely new constitution. Whether that will be along the lines of the British North America Act or any other act is for the constituent assembly to say. One thing is imperative, and that is that the people shall have a voice in creating that constitution and shall be consulted personally and individually. Until such time as such an agreement is reached between the provinces and ratified by the people of Canada I assert, sir, that our constitutional position is a disgrace to an intelligent people.

In conclusion, I merely wish to say this. We have gone abroad in the world to proclaim our faith in democracy, in the freedom of the individual, in the rights of the individual citizen. That is good. But I suggest that, before we attempt to run the rest of the world, before we seek to tell other nations how to conduct themselves, we first put our own house completely in order. Before we complain about the violation of the rights of other people in the world, let us make sure that the rights of our own people are observed. In short, let us remove the beams from our own eyes before we seek to remove the motes from the eyes of others.

BUSINESS OF THE HOUSE

MOTION TO SIT AFTER ELEVEN O'CLOCK—PRECEDENCE OF DEBATE ON ADDRESS ON MARCH 12

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I should like to ask the indulgence of the house in order to deal with two questions of procedure. The suggestion has been made, which I think met a favourable reception that we might not adjourn at eleven o'clock but might carry on until not

later than midnight. Accordingly, with the expectation that we would very nearly but not quite conclude this debate this evening, and with the expectation of having the debate finished very early tomorrow afternoon and, immediately after that, having the division taken as early as possible, with your indulgence, Mr. Speaker, under standing order 45 I move:

That the house do not adjourn at eleven o'clock p.m. today.

Mr. GREEN: May I ask the minister if it is understood that there is to be no vote this evening, in any event?

Mr. MACKENZIE: Yes. It will be impossible to have a vote, because it could only be taken after twelve o'clock, at which time we run into the terms of the resolution passed on March 7. Therefore we cannot have the vote this evening.

Motion agreed to.

Mr. MACKENZIE: With the unanimous consent of the house, in order to allow us to terminate the debate on the address tomorrow —and this is for tomorrow only—I move:

That on Wednesday, March 12 instant, the debate on the reply to the speech from the throne shall take precedence over government notices of motion and government orders, notwithstanding the resolution passed on March 7 in relation thereto.

This means that the debate on the address will have precedence tomorrow and, when the debate is disposed of, we shall revert to the terms of the resolution passed in this house on March 7.

Motion agreed to.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Low.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I had prepared a modest address in which I intended to express my views in regard to the condition of the country and to advise the government what they should do about it. I had no intention whatsoever of entering into an acrimonious discussion with the Social Crediters until I was dragged into it by the references made to a speech of my own by the hon. member for Red Deer (Mr. Shaw).

Mr. BLACKMORE: And a very fine speech it was.

Mr. IRVINE: It was an excellent speech; and if the hon. member for Red Deer had read it all, he would have made a better speech. I hope I do not have to apologize to the house for having spoken to a resolution in 1935 in which the phrase "social credit" was used. Of course at that time it did not have the same opprobrium it now has. I wish to first explain to the house that when we used the phrase "social credit" we meant something; and what we meant was not a nostrum for everything which might happen to modern civilization. We used it as a social fact, and this is that fact, the credit which accrues as a result of the association of the people working together, or as a result of collective production, is as sound a basis for credit as the capital equipment of a capitalist which he hypothecates at the bank for assistance to carry on his business.

Mr. BLACKMORE: That is entirely right.

Mr. IRVINE: That was the meaning we had in using it. Now, sir, in order to justify the speech of the hon. member for Vancouver East (Mr. MacInnis), and in order also to show that the views I expressed on the occasion referred to by the hon. member for Red Deer (Mr. Shaw) are the views I shall express tonight and the views I have expressed as long as I can remember, here are some quotations from the same speech which my hon. friend omitted to give. I refer to page 2325 of *Hansard* for April 2, 1935:

Let me turn now, sir, to a brief summary of the economic situation in relation to purchasing power. Goods manufactured and sold at a profit cannot be bought back with the wages paid those who have produced them.

And further:

The fact that those who are employed do not receive and never have received sufficient income under the profit system to buy even the necessities of life, much less the entire output, together with the additional fact that machinery is displacing thousands from every industry, thus depriving a large percentage of the population of any income at all, has resulted in vast amounts of goods going to waste unused while millions are in want.

It was not because there was not enough money in existence, but because there was not enough money in the pockets of the consumers who would use the goods that had piled up, because the profits they should have used

to buy the goods had gone into the pockets of those who operated the industry. I now turn to another section:

I am as firmly convinced as that I am in this house at this moment that if we are to attain prosperity we must plan our way, that our plans must be based upon economic truths and facts of the present time, and that such plans must be worked out by the application of established scientific principles.

I have one more quotation which will indicate to the house the circumstance and reason why we thought it would be of value if the social credit, in our interpretation of it, were loosened up at a moment when those who had money were afraid to invest it, and people were starving. We thought that, since they were starving and since they could produce goods, it was the business of the government to provide the necessary funds to put them to work at profitable industry. So we said:

We regard the problem chiefly as one of making available to the consumer enough purchasing power to equal the total prices of all commodities that are for sale, and we regard provision of the required amount of purchasing power as the most advisable next step, since it will bring about the immediate distribution of the goods required to satisfy the wants of the community and thus prevent revolution and give us time to think out succeeding steps in a fundamental economic and social reconstruction.

That was the reason we had such a motion, not by any means to follow the most extraordinary will-o'-the-wisp that has ever been projected into political discussion in this country, which has been advocated by my hon. friends to my left.

Now, sir, I turn to the speech I wish to deliver, and I may have to make a reference to the Social Credit party as I go along. I believe that the criticism or advice hon. members offer this administration should be based upon the actual situation, social, economic and political, which confronts us at the present moment. My first remark in that regard is that in my opinion, the morale of the Canadian people is extraordinarily low for a nation which has just emerged victorious in a great world war. That lower morale is not due to economic distress, because despite the fact that the cost of living is going up and unemployment is beginning to grow, the economic condition is still reasonably good in a comparative way.

Some hon. MEMBERS: Hear, hear.

Mr. IRVINE: Well, note the qualifications. A nation needs an inspiration to achieve its utmost, whether in war or in peace, and when war broke out the Canadian people needed a rallying point. I say to you, sir, that capitalism was bankrupt in providing that rallying point. I question very much whether the youth of Canada would have voluntarily responded to an appeal to fight for the capitalism which produced the conditions of 1932. So it was necessary for us to find a rallying cry that would call the nation, and "democracy" was that cry. Democracy was the rallying cry, and capitalism accepted it as an expedient. Capitalist leadership, I am convinced, when it adopted the rallying cry of democracy had no intention whatever of implementing democratic policies on the heels of victory. But the public still remembers, though it is not supposed to have a long memory. The public remembers the rallying cry; it remembers the sacrifices made in order that democracy might be made safe. So today the morale of our people is low because they are suffering from deep disappointment. They find that the steps necessary for launching out toward a democratic system of society have not been undertaken; thus they are disappointed.

Capitalist economics is void of the elements of the democratic principle. My hon. friends of the Social Credit party have often argued that we have democracy in industry because the ballots of our consumers, which is the money with which they buy their needs, determine the nature of the market and the kind of goods the system will produce. Well, all you have to notice is the number of ballots some people have as compared with the number of ballots other people have. If in this house we were to suggest that a few hon. gentlemen should have a hundred votes while those of the common herd have one vote each, not very many of us would stand for that sort of thing. Yet in the economic world there are privileged individuals who can mark a thousand ballots in the economic market for every one the ordinary man can afford to use.

I wish to point out briefly what economic democracy means to me as the thing that Canada needs most at the moment and that her people are expecting, because, as I have said, we fought for that ideal. We would not have fought for capitalism; yet now we are seeing capital institutions reconstructed and reinvigorated, without any real effort to establish the principles of democracy.

Economic democracy implies, first of all, the collective ownership of such means of life as must be used by everybody but which it is not possible for everyone privately to own. However, when the essential means of life of a community are owned by an individual or a corporation, the position of that community

is one of dependence upon such individual or corporation for its very life. It may be the case that the corporation, without regard for the needs of the community and in order to maintain its profit rate, may deliberately choose to curtail the volume of production. The community then must necessarily suffer. That is the situation today, and that is undemocratic.

Second, economic democracy implies a common purpose to which every basic industry as well as every part of the industrial mechanism must be geared in order that we may utilize the natural resources, man-power, plant and equipment, science and technical skill to the end of achieving full production for peace as we did in war.

Third, economic democracy implies social planning to achieve a collective purpose. Shall we undertake democratically to plan, that is, as a community, just as a corporation now plans for its profits under an economic dictatorship, disguised under the attractive dress of so-called political democracy?

Fourth, economic democracy also implies the finding of the ways and means of distributing the national income more equitably in keeping with the demands of the farmers for parity prices and those of organized labour in terms of a living wage.

Fifth, it implies devising and working out the technique of democratic management so that workers in industry will be permitted to participate in the direction and operations of industry, thus promoting harmonious relations and the exercise of democratic cooperation.

Such a programme is not only one which fits the times in which we live, but also one which is designed to implement the democratic objectives which we hold out for our people. If such a programme were to be seriously considered it would mean that we could solve such problems as housing, as the extension of our railroad building, as the building of highways, as the undertaking of irrigation and reforestation projects, town planning and all other things necessary for a higher type of life. But of course the question will be raised by the government, as it has been in all my experience, as to there not being sufficient money for any such projects as I have been suggesting would be implied in instituting real economic democracy.

I am suggesting that we must finance peace in a manner similar to that which we used to finance war. The object of financing war was to get the greatest amount of war materials into the front line with the least possible waste of time. The objects of peace are equally as clear; that is, to get into the stomachs of our people and on to the backs of our people the essentials of life as they are required both in time and in quantity. I know there are big industrialists who oppose financing peace as we financed war, and that is not difficult to understand. In financing war they were doing it at a very good profit. Our war materials were destroyed on the battle lines and nothing was left as a backlog to interfere with the consuming market. Indeed I believe it is right to say that War Assets Corporation has spent much of its time in trying to steer some of these surplus goods away from the consumer market into the hands of the dealers or the trade, as it is called.

The capitalists of our time welcome large loans by this country to other countries which will enable them to buy Canadian made goods because such loans increase or maintain prices at home. But if they were asked how they would feel if we were to finance great industrial projects in Canada by the use of our national credit without interest charges in order to supply our own consuming public at home, they would oppose that because such a process might interfere with their rate of profit.

If the policy which I have suggested were to be adopted we would have to find ways and means of distributing the abundance which would result to the consumers of Canada. We would have to devise a financial mecahnism to be used within our own borders comparable with the lend-lease system which was used internationally during the war to distribute war materials to various nations of the world. That financial mechanism would mean that an adequate income would have to be provided to the Canadian people to buy the output of industry. That income would have to be provided by increased wages and increased prices to farmers. It would have to be brought about by increasing pensions to the old people, to the blind, to the disabled and to the sick, and providing allowances to those who are not in a position to earn their own living. By taking them all together, we might be able to equate our consuming programme with our producing programme and thus carry on a constructive economic system.

To the extent to which the government is implementing such policies, it will be judged to be a failure or a success. Some say that our government is an entire failure. I would not go that far because I do not think any government was ever a failure in everything. I think this government has done many things very well, but I think it has failed to do the big things which, in turn, affect all the little things that go to make up the democratic way of life.

I think the present task of the government is pretty nearly impossible so long as it proceeds on its present course. It is following the same course that it followed toward the last depression in 1932.

Let me illustrate. Supposing you board the Canadian National transcontinental at Montreal on the way to Vancouver. You go where the track goes because the train does not go anywhere except where the track goes, unless it goes in the ditch. If you made this trip yesterday or last week you would pass through the same towns and you would reach the same destination as you would have if you had taken the trip in 1932. The government is telling the Canadian people that it is going to take a trip to a town called Prosperity, but it is starting on the same train that went to the town of Depression in 1932. This train will pass through the same towns. At the present time it is just coming into the town of Inflation. Pretty soon it will enter that more dismal city called Deflation. Then it will enter the village of Unemployment and finally land up at the town of Depression. This town of Prosperity, prosperity for all the people, is a new town. It has been mapped out only in the imagination. There are no rails put down to take the people to it. My criticism of the government is that it has made no attempt to build that prosperity for the people of Canada, and I say to the government that when it arrives at Depression it will be beaten, although God forbid that it be beaten by those who sit opposite it and believe the same thing.

I invite the government and the opposition to look this fact squarely in the eyes, and that is that no capitalist country in the history of the world has ever been able to stabilize prosperity. Put that right down into your pipe and smoke it before you go to bed. No capitalist country in the world has so far been able to avoid booms and slumps which provide a mixture of one teaspoonful of booms to two gallons of slumps, to be taken, not after meals, not before meals, but by the proletariat without any meals at all. In the face of that fact I wonder how the government and the official opposition expect to rally the people of Canada once more for another round. How can any party have the effrontery, if you like, to go on the hustings and offer to the people policies that are worn threadbare through generations of repeated failure? The only hope they have of doing it is this, that capitalism, with its wealth and with its control of the avenues of public opinion, may be able once more to fool the people of Canada.

I believe in freedom of speech, and much has been said about that. I believe in freedom of speech, but there is one thing which I think is equal to that, and that is freedom to think. It greatly enhances the enjoyment of hearing one speak freely when, in the exercise of that freedom, he says something so worth while that it makes us proud that he had the freedom to say it. There can be no real freedom to think in a capitalist society where the avenues of public opinion, the very elements of which thoughts are made, are controlled and directed to a definite conclusion by those who have a particular interest in that conclusion. The capitalist press has perfected its high-pressure methods of salesmanship and its high pressure methods of advertising which practically compel the common man to buy what he does not want. It is using that technique now to bolster up the weakening faith, a faith that is weakening in the face of the actual facts of life and in the face of the growing common sense of the common man. I consider it therefore the duty of this government to bring down measures at this session which might be regarded as competent to form the basis upon which an economic democracy may be founded. I say that it must do this if it is to keep faith with itself. It must do this if it is to keep faith with the nations of the world that heard our protestations about democracy during nearly six years of war. It must do this if it respects the courage and heroism of our fighting forces, and, above all, it must do it if it will be true to the memory of those who gave their lives that democracy might be real.

But instead of that, I find that the government is beginning to prepare a retreat. It finds itself, I think, conscious of the tendency toward collectivism. I think the government and the Liberal party have at least an emotional respect for democracy, but on the other hand the government finds itself pretty much the prey of the capitalist press, and it is beginning to weaken under the pressure, especially when the press is joined by the opposition.

I wish to refer to a broadside from the Ottawa *Journal*. Here is an editorial which says:

> The government is in everything; in transportation on land and sea; in the business of buying and selling wheat; in the business of fixing prices and wages; in the business of managing currency and credit; in the business of subsidizing these and other things; in the business of practically everything from providing people with radio programmes to the bonusing of babies. In this vast and varied field of activity it is not possible for any combination of ministers, no matter what their talents, to know what is going on everywhere about everything all the time. As a consequence, and inevitably, they accept the words and plans and

appropriations of their agencies, abdicate responsibility, surrender their task of governing to non-responsible bodies.

The *Journal* surely cannot be so stupid as not to know that something is going on everywhere about everyting all the time, and I should like to know, if the government does not know what is going on all the time everywhere, who the *Journal* thinks would know what is going on all the time and everywhere. Surely it is clear that if the government has no time to observe what is going on in all these matters which are enumerated by the *Journal* and which are under the government's own eyes, it would know much less about them and do much less about them were they left to the caprice of private enterprise as the *Journal* desires. In the same editorial the *Journal* goes on to give the remedy:

> There is but one thing to do. The public must say, after decision by vote that it wants the government to get out of business, that it wants retreat before socialism and collectivism stopped and that many of the things now being done by government boards and bureaux should be done by private enterprise and initiative.

Thus spake Zarathustra!

In appreciation of the position in which the Liberal government finds itself, faced on the one hand with the necessity of moving toward the collective will of the people, and feeling at the same time the loaded revolver of economic power at its back, I want here to pay a tribute to liberalism, with a small "l", and I want to pay that tribute because I recognize in that my own heritage of thinking as well as that of every hon. member. That school of thought gave emphasis to civil liberties as a basis for the highest type of democratic culture. It respected and advanced the principle of tolerance in religious belief and political policy; it elevated the dignity of human personality and supported the idea of the sacredness of human life with its influence; in its spirit of tolerance it encouraged diversity of thought and found a place even for heresies in the progressive march of ideas; in its view of the supremacy of human personality it saw the need for providing each individual with an opportunity to develop his own potentialities; and it glowed with confidence in the progressive course of the race, and saw an endless horizon of advance for man.

It is pathetic that a party which adopted the name of Liberal should now appear to be afraid to go the way that Liberals ought to go. There is a splendid tradition of creative imagination. What does the Liberal party, expect—a return to the old middle age laissez-faire? Free private enterprise worked very well in the days following the industrial revolution; but remember that free private enterprise and competition became the parents of trusts, combines, monopolies and cartels. These are the unruly children of that private enterprise and competition which are at once the fundamental principles of Liberalism, of Social Credit and of the hon. gentlemen who sit to the left of Mr. Speaker. Nobody will try to break up these monopolies because it is not possible to do that. You cannot reverse history as you can a cinema reel; and, if you could do so, competition and free enterprise would take you back the same road and establish the same monopolies that they did before. These robust children of free private enterprise and of the private motive and so forth have become little states within the state. Their power is so great that those who have been democratically appointed to manage the affairs of the state find that they are infrequently interfered with in that regard.

Here is another fact which I wish to bring to the attention of the government and of the opposition. Every capitalist country in the world has been compelled under capitalist governments, mind you, to abandon laissez-faire, to contrive some means of standing between the public good and the avarice of monopoly. Were I to produce the list tonight of government in industry, of social services, of government controlled business, it would be a far more amazing list than the one I have quoted, as mentioned by the Ottawa *Journal*. I should like to say more about that; but let me say that while the Ottawa *Journal*, the capitalist press generally, the opposition and the Social Credit party are calling for retreat, I wish to remind the house that the great dynamic forces of history are calling for advance.

Mr. BLACKMORE: The Social Credit party is doing that too.

Mr. IRVINE: There is no government that will survive this period unless it can meet the demands of the times; no government will survive this period which has indecision as a method and middle-of-the-roadism as a policy. The times call for definite affirmation and for militancy. There is no future for any government which will condone or encourage capitalist government irresponsibility and cling to policies of privilege rather than to serving the common interests of the masses of the people.

What is the attitude of the other parties? The Social Credit party has committed itself to the profit motive, to free enterprise, to competition. In doing so, it is protecting the very sources of the evils which it is trying to get rid of. It has become the evangelical fundamentalist of economic reaction, and by its

rampant militancy in this respect has placed itself to the right of the Progressive Conservative party. It agrees, however, that something is needed. It thinks that something is the single simple expediency of monetary reform. I do not believe, of course, that the prosperity and abundance of which they speak are so easily come by as that. The leader of the party owes it to himself; he owes it to his cause; he owes it to the country to bring down a bill setting forth what that particular reform is that he is talking so much about. I want to see nailed down in legislation the extravagant claims of this propaganda; I want to see it nailed down to specific proposals.

I listened to the hon. member for Macleod (Mr. Hansell) today. He utters aphorisms about money as if he alone had received the Divine revelation with respect to that. He advocates the simplest self-evident truth with the ponderosity of a hippopotamus climbing a Christmas tree. Just because every loan creates a deposit, which everybody who knows anything about banking or money knows and has known for a long time that by no means proves that all the other tripe which he talked about is true.

Mr. SPEAKER: Order. The hon. member's time has expired.

Some hon. MEMBERS: Go ahead.

Mr. IRVINE: I think you ought to give me five minutes more.

Mr. SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Go ahead.

Some hon. MEMBERS: No.

Mr. CRUICKSHANK: There must be unanimous consent. I will give my permission if the hon. member will speak and not read every solitary word.

Mr. IRVINE: I have not read my speech.

Mr. CRUICKSHANK: The hon. member has read every word he has spoken tonight.

Mr. IRVINE: Here are my notes if the hon. member wishes to see them.

Mr. CRUICKSHANK: You have read every word.

Mr. IRVINE: I want to give a few minutes to the Conservative party.

Mr. CRUICKSHANK: I object.

Mr. SPEAKER: Order. I would ask the hon. member to be kind enough to conclude.

Mr. IRVINE: I am going to conclude, but I must mention what I am going to conclude about. The Conservative party, as the official opposition, should do something more than bark at the heels of the government. It is overwhelming itself by displaying its own weakness, a fatal weakness indeed.

Some hon. MEMBERS: Order.

Mr. IRVINE: One which is apparent in its lack of a political philosophy upon which might reasonably be based a counter proposal to that which the government is making.

Mr. CRUICKSHANK: Mr. Speaker—

Mr. IRVINE: Basically the policy of hon. gentlemen to your left, sir, is the same as that of the political party which governs the country.

I should like to turn for a moment to the—

Mr. CRUICKSHANK: Time; I am not going to sit here all night and listen to the hon. member.

Mr. SPEAKER: I am sorry, but apparently the hon. gentleman has not the unanimous consent of the house.

Mr. IRVINE: Mr. Speaker, I shall take the opportunity to do this on the main motion or on the amendment of the official opposition.

Mr. HANSELL: Mr. Speaker, I happen to be the hippopotamus that is high enough up the tree to see that my hon. friend has sparse notes and that he is not reading his speech.

Mr. BENTLEY: Leave it at that.

Mr. CRUICKSHANK: I do not read mine.

Some hon. MEMBERS: You do not make one either.

On motion of Mr. Cruickshank the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 11.30 p.m.

Wednesday, March 12, 1947

The house met at three o'clock.

PRIVILEGE

MR. SMITH (CALGARY WEST)—EASTER RECESS

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I am rising on a question of privilege. I hope, sir, that you will regard it kindly and that some of the gentlemen from the "amen" corner will regard it even generously.

Yesterday the Prime Minister announced that the Easter recess would extend from April 2 until April 14. I am asking that this

matter be given further consideration. I am in this position. I must rent my house, which I have done, and the member for Calgary East (Mr. Harkness) is in the same position. The housing shortage being what it is, we could not selfishly close those houses. Last year we were in the same position. We were away from home just one day less than six months, attending the last session of parliament. On the other side of the picture it seems to me that the business of parliament perhaps requires that we should make this Easter vacation as short as possible. I am asking the government to reconsider the matter, because it does seem to me that with all the work we have in front of us we shall be occupied for another full six months and that we can serve our time a little better down here.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend may or may not have noticed that I had asked the Clerk to place in *Votes and Proceedings* a motion with respect to the Easter vacation in order that the matter might come before the house again before a final decision was reached. The motion appears in today's *Votes and Proceedings* and will be on the order paper tomorrow, when there will be an opportunity for the house to discuss the resolution. May I say to my hon. friend that the whole purpose my colleagues and I had in mind was to seek to meet the wishes of the great majority of the members of the house. It was, accordingly, suggested that the whips confer with the members of the different parties and it was understood that the government would be guided by their decision.

So far as the government is concerned let me make it perfectly clear that we are quite prepared to take either the shorter or the longer period, but what we are seeking to do, in leaving it to hon. members themselves to decide, is to oblige hon. members of this house so far as we can in the matter.

Mr. SMITH (Calgary West): I appreciate that fully, and I was not suggesting for a moment that anything was being forced on us, but some of us are in a difficult position. I was in the same position last year. I did not get any expenses—not a nickel.

MR. GIBSON (COMOX-ALBERNI)—REFERENCE TO REPORT IN VANCOUVER "DAILY PROVINCE"

Mr. J. L. GIBSON (Comox-Alberni): Mr. Speaker, I rise on a question of personal privilege arising out of a reference to myself made in the Vancouver *Daily Province* of February 27 last, in which I was referred to as "J. L. Gibson, Liberal, Comox-Alberni". I do not say, sir, that this is the most libellous thing that has ever been said about myself, but it is probably the most untrue. I do not intend to take the same action that the premier of Ontario took against the Toronto *Daily Star* because I do not believe the courts would hold that it constitutes defamation of character. There is only one thing I will say. I am probably the unique member sitting to your right in that of all hon. members who sit over here I have no hope of ever being in your position, sir; of being a parliamentary assistant, a member of His Majesty's privy council, or in the other place. I will even go so far as to promise the Prime Minister (Mr. Mackenzie King) that if the electors of Comox-Alberni withhold from me their support at the next election I will not even ask him for a messenger's job.

REPORTS AND PAPERS

Hon. COLIN GIBSON (Secretary of State): I wish to table a statement with respect to translations of *Hansard, Orders of the Day, Votes and Proceedings,* Reports of Committees and Proceedings of Committees. With the unanimous consent of the house I would ask that it be printed in *Votes and Proceedings.*

SUGAR

POSITION AS TO SUPPLY—INCREASE IN CONSUMER RATION

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I should like to make a brief statement on the prospective supply of sugar during the current year.

Sugar has been a commodity in short supply since 1942, when the Japanese forces overran and subsequently destroyed some of the greatest sugar producing areas of the world, and since that year the available world supplies of sugar have been subject to international allocations. The sugar committee of the international emergency food council, of which Canada is a member, has recently completed its review for 1947, and its recommendations on the 1947 allocations have been unanimously approved by the executive committee of that council.

The total available supply of sugar in 1947 shows an encouraging improvement over 1946, but still falls considerably short of meeting current world requirements.

Statistics of 1947 supply must necessarily be estimates, since the greater part of the 1947 crops is not yet harvested or manufactured. Within certain limits, however, we are now able to project our 1947 position.

On the most optimistic assumption relating to crop out-turns, the 1947 allocation to

Canada—which for statistical purposes includes our domestic beet sugar production—will provide us with 93 pounds of raw sugar per capita, which is equal to 87 pounds of refined sugar. If, on the other hand, we take a conservative view of crop prospects, we will have about 86 pounds of raw sugar, or about 80 pounds in terms of refined. These figures may be compared with actual supplies of 71 pounds refined in 1946, 95 pounds as our average pre-war consumption, and 103 pounds per capita in the peak year of 1941.

In other words, we can expect an improvement in 1947 of not less than 12 per cent and probably not more than 20 per cent in comparison with 1946. But even this improved rate of supply will be at least 20 to 25 per cent below what I might call the unrestricted or unrationed demand. It will, therefore, be obvious that we cannot anticipate the elimination of sugar-rationing for at least another twelve months.

The wartime prices and trade board reports to me that current stocks and prospective supply justify an increase in the ration, and an increase of one-seventh or about 14 per cent, will be put into effect at the beginning of the next rationing period which is April 1.

In 1946 the standard consumer ration under the combined sugar-preserves ration was 7 coupons per quarter. This will now be increased to 8 coupons per quarter. Similarly, the industrial sugar ration which is now at 70 per cent of 1941 usage, will be raised to 80 per cent of 1941 usage. Biscuit and cereal manufacturers will also get a 10 point increase to 85 per cent, and bakers the same increase to 90 per cent of 1941 usage. Equivalent increases will be extended to "quota users" —that is to say, hotels, restaurants, etc. The home canning allowance of 10 pounds of sugar per person will remain unchanged for the present, though without holding out any firm promise I may say that if nothing untoward happens, the prices board hopes to be able to validate two or three extra coupons during the fruit harvesting season.

Mr. DIEFENBAKER: Will the minister permit a question? Has consideration been given to increasing the present subsidies with a view to assuring a material increase in beet sugar production, and also to permitting factories to operate to capacity instead of the way they are operating at present?

Mr. ABBOTT: As my hon. friend knows, the increase to $1.25 was authorized by the sugar administrator through the wartime prices and trade board. So far as I am aware, no consideration has been given to increasing that amount.

[Mr. Abbott.]

BUTTER AND MEAT

PRESS REPORT OF EFFECT OF RISING PRICES

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): May I direct a question to the Minister of Finance? Has the minister's attention been called to a press report to the effect that certain government officials believe that to permit rising prices would result in decreased consumption of butter and meat, as has happened in respect to milk? Will the government accept or reject this advice?

Hon. DOUGLAS ABBOTT (Minister of Finance): I have not seen the article and I have no particular comment to make on it. The government sometimes accepts the advice of newspapers, and sometimes it does not.

Mr. KNOWLES: This is the advice of government officials, not of newspapers.

UNITED NATIONS

UNRRA—INQUIRY AS TO CHANGE IN ORGANIZED ASSISTANCE

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): I should like to direct a question to the Secretary of State for External Affairs. What steps are being taken by the Canadian government to replace our contributions under the arrangements of the united nations relief and rehabilitation administration by some other form of organized assistance?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): At the last meeting of the general assembly of the united nations a resolution was adopted to set up a committee of experts to assess the needs for further relief in devastated countries. That committee made its investigation and recently made its report to the secretary general who communicated it to the member nations of the organization. The report was recently received by the Canadian government and has been under active consideration since its receipt, but no decision has yet been reached.

COAL

STATUS OF SUBSIDY TO MARITIME OPERATORS AFTER MARCH 31

On the orders of the day:

Mr. A. J. BROOKS (Royal): I should like to direct a question to the Minister of Reconstruction and Supply, based on a telegram which I have received from certain coal operators in the maritime provinces with reference to the withdrawal of coal subsidies. Will the minister inform the house whether it is the intention on March 31 of this year to withdraw the subsidy paid on the production of coal?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The government have not reached a decision on that point; therefore I am unable to give the information.

Mr. BROOKS: Will the minister inform the house? March 31 is not very far away, and he knows that a serious situation has developed in the maritime provinces. The operators would like to know.

Mr. HOWE: For reasons which my hon. friend will appreciate, it is not customary to announce changes in subsidy arrangements in advance of the changes taking effect. Since this is a special circumstance I shall investigate and endeavour to get an early decision.

CHEESE

PRICE UNDER AGREEMENT WITH BRITISH FOOD MINISTRY

On the orders of the day:

Mr. MARK C. SENN (Haldimand): About a month ago the Minister of Agriculture, in reply to a question by the leader of the opposition stated that the price of cheese under the agreement with the British food ministry was the subject of negotiation. Can he say whether the matter has been decided yet?

Right Hon. J. G. GARDINER (Minister of Agriculture): A decision has not yet been reached on that question. It is associated more or less with the decision that will be taken with regard to feed grain, and the matter will all be decided at the same time.

BOOK OF REMEMBRANCE

WORLD WAR II

On the orders of the day:

Hon. BROOKE CLAXTON (Minister of National Defence): Some time ago I was asked a question by the hon. member for Wentworth (Mr. Lennard) as to the government's intention regarding a book of remembrance. Numerous representations have been made that we should have a book to record the names of all the members of Canada's armed forces who gave their lives in the last war, in order that we might have a permanent record of those who gave their lives in order that freedom might live. I should tell the house it has been decided that work on such a book will be commenced. The location and form will be announced later.

LABOUR CONDITIONS

WAGES OF CREWS AT LIFE SAVING STATIONS

On the orders of the day:

Mr. J. L. GIBSON (Comox-Alberni): I wish to direct a question to the minister of transport. I gave him notice of it. Will he state why lifeboat crews have not received raises of wages as have all crew members of lighthouse tenders on the Pacific coast, who have received substantial increases retroactive from August last.

Hon. LIONEL CHEVRIER (Minister of Transport): Increased wages for crews of life saving stations are being actively considered at the moment by the Department of Transport. A submission is now before the Department of Labour and it may be some little time before a decision is arrived at. Just as soon as one has been reached it will be put into effect.

POULTRY

BRITISH COLUMBIA—INQUIRY WITH REGARD TO FEED

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): In view of the peace and harmony prevailing this afternoon, may I direct a question to the Minister of Agriculture? When will the minister be able to make a statement regarding feed grain for poultrymen in British Columbia?

Right Hon. J. G. GARDINER (Minister of Agriculture): As announced yesterday, I hope to be able to make a statement before the end of the week. That should be the day after tomorrow.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, March 11, consideration of the motion of Mr J. W. MacNaught 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. Bracken, and the amendment to the amendment of Mr. Low.

Mr. JOHN T. HACKETT (Stanstead): The amendment proposed by the leader of the opposition (Mr. Bracken) states in terms that the mover, and the party which he leads, have not confidence in the administration of the day. I need not say to you, Mr. Speaker, that confidence in the present administration does not ooze from the soles of my shoes. If I have until this late moment refrained from taking part in the debate it is because I had hoped that some of the gentlemen opposite, whose constituencies are in the province from which I come and who for many reasons are better qualified than I to speak for the people of that province, would have stated the views of the people of Quebec. So far I have heard from the opposing benches nothing which would indicate that in Quebec there is any dissatisfaction with the present regime or with the policies that it is pursuing.

One hesitates to make himself the interpreter of others' wishes and of others' thoughts, but the time does come when one is so strongly impressed by the unanimity of public opinion that he feels it his duty to speak even though his voice be but a faint echo of that opinion. I entertain the view that the people of Quebec are opposed as a whole to controls; that they tolerated them during the period of the war; that for the purposes of the war they were willing that such controls should weigh upon them; but that, the war being over, they regard these controls as no longer reasonable but on the contrary harmful to them.

An hon. MEMBER: Louder, please.

Mr. SPEAKER: Order. I would ask hon. members to moderate their voices. So many conversations are going on in the chamber that it is difficult to follow the hon. member who is trying to make himself heard.

Mr. HACKETT: I thank you, Mr. Speaker. I am not unaccustomed to speaking in places where my words do not always fall on attentive ears; that is sometimes a sign that those who should hear refuse to do so. I was going to deal with two or three of the controls that seem to be particularly irksome.

I do not know of anyone who does not find that some control in some way is agreeable to him. Everybody can find in this or that control something that is beneficial to him, and to that extent the burden of the system as a whole is less troublesome to him. But I am opposed to the general principle of control. Many controls imposed upon the people grow largely out of the policies of the government.

We have learned from the apostles, the avowed apostles—I was going to say the honest apostles—of socialism who sit to our immediate left, that last year, only something over thirty per cent of the total building which went on in the dominion was the building of dwellings. We are aware that it is because of the restrictions imposed by government upon the materials which are essential to house construction, and because of its policy of exporting those things which are essential to the construction of dwellings, that there has been such a lag in this most important undertaking, that of building houses for the people. It was interesting to hear a socialistic programme such as that undertaken by the government—the programme of providing houses—criticized by the socialists because the government had not carried out its programme as effectively as the socialists think they could have carried it out had they been in office.

I submit, Mr. Speaker, that this failure is merely evidence of the inability of a government to perform functions that are in their very nature the business of private enterprise. Houses are needed, and they are not being provided, because the people who could provide them, the agencies that are necessary to bring them into existence, are cramped and curbed by government controls.

Let us leave dwellings—and consider office buildings, of which there is a shortage in all the cities, a shortage again attributable to government policy. We find these buildings filled with commissions, boards, and crown companies, and their employees. We find hordes of these government employees occupying useful space in most of the large buildings of all the principal centres of the country. Therefore I say that the shortage of dwellings as well as of office and factory space is largely due to the failure of the government to make it possible for the ordinary enterprise of the people to overcome this particular difficulty which confronts them.

We are told at times, and we know it is true, that it is impossible to find young men or young women to undertake tasks in the business world. The reason is that they have some kind of job with the government. They are in a crown company, a board, or a commission; and they occupy, if in Ottawa, some of these temporary buildings. I sometimes think that if a cleansing flame could wipe out the temporary buildings which have been put up here, it would render a great service to the people of Canada. They are filled with people

who were congregated there for the purposes of the war and who have remained for no purpose other than to increase the burden on the taxpayers.

Another form of control which is particularly burdensome is the wartime prices and trade board. I ask any of my hon. friends who sit opposite, and who represent constituencies in the province of Quebec, how much enthusiasm is there in their constituencies for these wartime controls? They are not only burdensome; in many instances they are highly detrimental to the welfare of our people. I come from a part of the province where dairying is engaged in; and there, because of the control of the price of butterfat, herds are being sold. Let me say here, because I do not wish to be misunderstood, that there has been no serious drop in the production of butter, but there has been a very serious drop in the production of cheese, and there has been an immense increase in the demand for milk products. Yet we find that the herds are being dissolved; they are being sold, they are going across the line where price restrictions no longer exist.

In the year 1944, 53,804 pure bred and dairy cattle were exported from Canada to the United States. Last year 92,013 head of these cattle were exported to that country. Of this very substantial figure more than half came from the province of Quebec. In the year 1944, 28,457 head of pure bred and dairy cattle were exported from Quebec, and last year 47,666 were exported. When I say from the province of Quebec, that means that a very large percentage of them came from the area known as the eastern townships, which is the dairying area of Quebec. The dairying industry there has been dealt a mortal blow by the controls which have been placed upon it by the present administration.

Just a moment ago the Minister of Finance (Mr. Abbott) mentioned sugar. I should like to say a word about that. The international food council is a body which controls the sugar output of the world. It is composed of representatives of Great Britain, the United States and Canada. The United States produces 65 per cent of its sugar requirements, Britain 30 per cent, and Canada 18 per cent. Out of this world pool last year we were allotted 504,000 short tons of sugar. That included 90,000 tons of Canadian grown sugar. That meant that we needed to import into Canada 414,000 tons of sugar. Where did it come from? Forty per cent of it came from Cuba and San Domingo; the balance came from the British West Indies. That brings me to a point which I will develop a little later. But owing to the way in which prices have been manipulated, the greatest source of sugar beet supply in Canada, southwestern Ontario, has been hit so hard that its production fell at one time to less than 20 per cent of what it was before the war. In the great factory at Wallaceburg, which is capable of producing something like 2,500 tons of sugar a day, not a wheel is turning.

Mr. REID: Did the lack of labour not have something to do with that?

Mr. HACKETT: The lack of labour had absolutely nothing to do with it. Government policy made the price of sugar such that the farmers who were growing onions, beans and other subsidized products, just could not afford to grow beet sugar. We find this great industry hamstrung and throttled by a policy of the government. The situation became so terrible that, in order to prevent the annihilation of this great industry, the government of Ontario contributed one dollar per ton per year for beets, in the hope that remedial legislation would come.

Mr. CRUICKSHANK: We contributed some Japs.

Mr. HACKETT: I should prefer to talk to the hon. member for Fraser Valley (Mr. Cruickshank) in private. He is more interesting there and easier to follow.

I was going to say that there were some Poles brought in last year to help garner the beet crop; but the fact is that the policy of the government has ruthlessly smitten in this area in Ontario an industry which is indigenous to that province. It is being sacrificed for reasons which nobody can explain. At one time something was said by somebody about not a nickel for a Tory province. One does not like to suggest that this might have had something to do with the policy here, but the fact remains that this industry in the province of Ontario is being very greatly hampered and is threatened with extinction, just as is the dairying industry in the province of Quebec.

What is the reason for all this? We are told we are imposing these restrictions because we fear inflation. Let us examine that for just a moment. I suppose inflation means, among other things, a rise in price, a drop in the value of our money; that is on the lips of everyone. We hear that the housewife is fearful lest the prices of dairy commodities and sugar go up. But does the housewife understand, has it been explained to her, that because of the taxes under which her house-

hold labours, the take-home money of her husband is diminished, in order that these controls may be continued?

Let us consider the amounts paid last year in bonuses and subsidies on butter and cheese and compare them with the total of the two or three cents increase in the cost of milk. Then we shall see how much more that milk costs the people of Canada. Let us go further and take this matter of sugar about which we were speaking. The price has been fixed. The refinery in Montreal receives $5.89 per hundred pounds. The cost of refining is fixed at $1.57. But here is a little item which no one seems to have spoken of. Sugar is in the general tariff at $1.29 per hundred pounds, with an imperial preference of $1 per 100 pounds. This means that every hundred pounds of sugar imported into Canada pays $1.29 at the port of entry. Moreover there is an excise tax of $1 per hundred pounds. In order to maintain this control the excise tax and import duty have been obliterated. So right away we have a concealed bonus or tax upon sugar amounting to $2.29 per hundred pounds, subject to the slight modification that the $1.29 applies only to the general tariff, which would mean sugar coming from sources other than British. At the present time that preference is not allowed, but if you wish to indulge in the fiction of considering that preference to be in effect, we must remember that we get 40 per cent of our importations of sugar from Cuba and San Domingo and the remainder from the British West Indies. The result is that there is a concealed benefit or subsidy being paid by the taxpayer, amounting to something over $18,000,000 a year. So when the housewife begins to understand that the fact she is getting sugar for a little less means that a great deal more is taken out of her husband's wages in order to pay taxes, she is not going to be as enthusiastic about wartime controls as she may be at the present time.

But, Mr. Speaker, that is not the whole story. When you add to these hidden bonuses and subsidies, which are not declared, the cost of administration; when you add the cost of paying and maintaining the hordes who are checking up on all manner of dealers in sugar and other commodities all over the country; when you add the cost of the detectives, the snoopers, the people following up one another to see that the government employees themselves are honest, the people who are endeavouring to ascertain whether or not these controls are being respected in their minutest details; when you take all that, plus the cost of prosecutions, and compare that cost to the price that would normally prevail if there were complete freedom, I venture to suggest that we are paying more per pound for sugar and more per quart for milk with the controls on than if they were off—and controls are still on milk, to the extent that it is affected by the sale to Britain of quantities of cheese, which sales are controlled and subsidized.

Mr. GLADSTONE: We still have a long way to go to reach the 25 cents a pound for sugar we paid after the first war.

Mr. HACKETT: I did not understand the hon. gentleman, and I hope he will pardon me if I do not answer him, because I have a limited time and I wish to get on.

Mr. GLADSTONE: I say we paid 25 cents a pound for sugar after the first war, and present prices are still a long way from that.

Mr. HACKETT: We have heard a great deal about what happened after the last war. We did go through a short period of turbulence, but we escaped the clutches of all these controls and got back on our feet again. What are we doing now? Last year we passed the National Emergency Transitional Powers Act which continued these controls, and this session we are asked to pass legislation continuing other controls. We find the spirit of control creeping in and popping up in most unexpected places. The Minister of National Defence (Mr. Claxton) was here a moment ago. Only the other day, in a committee of this house, this same cloven-footed animal, control, popped up and a provision was inserted in the Patent Act giving the government the right to expropriate at any time anyone in the department felt it wise to do so. This simply means that anybody with a patent which is worth while, which might be used for defence purposes, would never bring it to Canada. By these controls we are shutting the door on inventions and denying ourselves the benefit of the genius of our people.

Again let us talk about prices. I should like so much to see this brought into the light. Let me tell hon. gentlemen of a practice that is going on in my constituency. Merchants are driving their trucks into neighbouring villages in New England, and there they are buying from retail merchants, at retail prices, certain kinds of goods such as paper products, originating in Canada, and others, such as coffee and other products, originating outside the United States, and bringing these goods to our ports, declaring them to customs at the retail prices which they paid for them, and

putting them on the shelves duty paid in their stores at prices lower than those at which they could buy them wholesale in Canada.

When one encounters a condition of this kind one feels there is something terribly wrong in this whole system of controls. We have put up with it for a long time. We are paying taxes, higher probably than those paid by any other people, taxes which are driving our young folks away from home. We are paying taxes which are making it difficult to get into the production of controlled goods, with the result that our manufacturers are turning their efforts to the production of goods which are not required or which have not come under control, in the hope of getting some return on their invested capital.

And why do we proceed in this way? The people of Quebec are utterly dissatisfied with this type of control. They resent it; they have no respect for it; they feel that it is so unnecessary that any means of evading, avoiding or getting away from it is lawful. The result is that our courts are filled with prosecutions of those evading the law. But these people feel they are doing no wrong, because they have no respect for the law in its present form.

Why do we follow the programme of the socialists? Their programme was clearly stated at Regina, and I took occasion to read it only a short time ago. If the hon. and capable gentleman who leads that party had been called upon to form a government I do not believe he could have hoped to make more rapid progress, along the lines of socialization of the great industries and great undertakings of this country, than has the present government.

We find all these theories indulged in, and we ask: Where have they ever succeeded? What is there to lead one to believe that socialism can give any relief to anyone? Name a country which has profited or benefited under socialism. Name a country which has not lost in prestige, lost in liberty, lost in everything we hold dear, when it yielded itself up to that form of government, a form of government which inevitably culminates in—

Mr. IRVINE: Good living.

Mr. HACKETT: I was going to say serfdom: but I hesitate to use that word because I have heard it used so often in the house.

Let us turn to England. There is no one in the house who does not admire the effort England made in the last war. Yet today we see her under a socialist government, listless, her hands paralyzed, as it were, and her heart no longer responding to the thrill of the anthem that Britons never shall be slaves. Today they are not producing enough to keep themselves alive; and there does not seem to be any intent or wish on the part of those who are in key industries to make the effort necessary to redeem themselves from the difficult position in which they find themselves.

I felt that in this debate it was well that at least one person coming from a province which is traditionally individualistic, a province which speaks for itself in most matters and which, as I believe all hon. members opposite know, is opposed to these controls en bloc and in detail, should raise his voice in protest. It seemed to me the government should be given this information from the opposition, if not from its own members.

We are gradually slithering into a position from which it will be very difficult to emerge. And so long as the people have no confidence in socialism—and I still think the people of Quebec are hostile to its doctrines, believe that it is detrimental to the general welfare of the country and will ultimately cause them great grief—I believe the people of that province should have at least one spokesman in the House of Commons, even though he may represent a feeble minority, to say that Quebec does not want socialism; does not want controls.

After all, on this continent there is no place for two social philosophies. The great nation to the south of us has been the determining factor in most of the important decisions Canada has taken. That may be our misfortune, but it is a fact. A socialistic Canada cannot hope to live in harmony beside a free-enterprise United States. And when we enact legislation such as the foreign exchange control bill, which impounds dollars which Americans brought here in good faith, in the belief that they had a good investment and could take it home with them when they saw fit, we are breaking faith with a friend.

It is well that we should understand that we are not merely slipping or slithering down the Gadarene slope; we are rushing down it. The amazing thing to me—and this is one of the peculiar aspects of my situation in parliament—is that most of my intimates who sit opposite say nothing. I wish my friends would find it in their hearts to say what their constituents tell them about controls. I wish they would find it in their hearts to vote as their constituents suggest to them they should vote concerning these matters which effect us so vitally.

Mr. FREDERIC DORION (Charlevoix-Saguenay) (Translation): Mr. Speaker, I

believe that the hon. member for Stanstead (Mr. Hackett) has just given us an exact picture of the feeling which now prevails in the province of Quebec, particularly with reference to controls; personally, I hope to have the opportunity, when this bill is introduced in the house of stating what the electors of my riding think of the wartime prices and trade board and of controls. Since the opening of the session, the following excerpt from the throne speech has given rise to a great deal of commentary:

> Since the last session of parliament, negotiations for tax agreements have been carried on with certain of the provinces.

And further:

> Tax agreements have now been reached with several of the provinces.

We know of course that several provinces have still not deemed fit to enter into an agreement with the Dominion government. I maintain, therefore, that the present rift between the federal authorities and several provincial legislatures threatens to widen to the point of upsetting the structure of confederation.

It is not my duty to uphold the position taken by provinces such as Nova Scotia, Ontario and Quebec. The spokesmen of those provinces have expressed their opinions much more clearly than I could have done myself. On several occasions they have asserted their rights and they are in a better position than anyone else to defend the interests of their respective provinces.

As federal representative of one of the most important constituencies, I contend—and I am sure that I express the opinion of my electors—that the dominion government's attitude in dealing with the provinces constitutes a tremendous threat to our country's unity.

By deciding to sign separate agreements with certain provinces, the federal government dangerously aggravates the few dissensions which may have existed between certain provinces owing to the differences of interests which naturally have always existed.

Those separate agreements tend to rouse the provinces one against the other and favour the annexation movement in the western provinces and the separatist movement of Quebec, all this to the detriment of the Canadian nation.

I hope that I may be wrong, but I maintain that the present attitude of the government in this matter may have disastrous consequences.

My constituents have asked me to seize the first opportunity afforded me to express, on their behalf, the strong resentment which they have felt upon hearing that strangers holding important posts in our country took upon themselves to teach us lessons in morality or to insult what we hold as our dearest and most precious heritage.

Since the beginning of the session, we have heard from all sections of the house justified grievances against the treatment meted out to our country by the so-called "Big Four."

I was particularly impressed by the speech of the hon. member for Portneuf (Mr. Gauthier) who uttered hard but true statements. I remember, Mr. Speaker, that in March, 1945, along with a few other colleagues, I shocked the house when I stated that I had little faith in the united nations organization, as contemplated. I said among other things:

> This resolution deals with the safeguard of mankind and the important part Canada is called upon to play in the organization of a new world.

Obviously it was not anticipated at the time in what position Canada would be placed by the great powers. And I added:

> If the powers that will control the conference were all democratic powers, we might perhaps entertain some hope; but when we know that the one which exerts the greatest influence upon others is a dictatorial power, just as the one we are now fighting, we cannot expect very efficient results.

It seems to me, Mr. Speaker, that the fears I then felt on the score of international relations were not so senseless or unfounded, especially when we consider that our country, one of the few in the whole world that fought with the greatest unselfishness, is disdainfully, I would even say contemptuously kept out of international conferences.

We had not possessions to defend; we did not need to wage war to extend foreign markets. We believed or rather imagined that we were being commanded to take part in the war by the desire to rid the world of subversive forces, especially of elements undermining civilization and Christendom.

What a disillusion, what a brutal awakening to realities, when, today, we see the countries that we have specially helped, under the rule of reactionary opportunists who are attempting to deprive a suffering, an almost dying people, of the only particle of ideal that may help them to some extent, to endure the sufferings which are their lot.

Indeed, every one knows that, through iniquitous and numberless prosecutions, by open persecution even, launched against religious authorities, both Catholic and Protestant, an attempt is made to do away with all thoughts of religion, in these people.

We have not rationed our help to France, either during or after the war; we thought that, on the day of deliverance, we would recognize her as we had known her in the past, and especially in the light of memories she had left among us, in Canada. But what a change we have noticed. Of course, I am not referring to the real France, which still exists in the hearts of all French patriots and which, sooner or later, will come to light again, I am sure, for that France, true France, can never die.

I am speaking of what is commonly known as official France, which we know through her government and her foreign representatives.

After having tendered our help with so much generosity, we had the right to expect that, in view of her present situation, her representatives would not attempt to give us lessons in domestic government and so-called culture, as they have done quite recently.

If there is one country from which we would never have expected insults, it is certainly Yugoslavia. We did not hesitate to contribute most generously to the assistance intended for the people of that nation. We might perhaps have asked ourselves whether the government forced on that country after the war was one which we could trust, but we overlooked all such considerations and our only thought was to relieve the distress of the people. We did more than our share and we could reasonably expect some gratitude instead of insults such as those which the consul general of Yugoslavia in Canada has just directed to one half of this country's population. We could not expect the recipient of our food gifts to bite the hand of his benefactor and to spit in his face by insulting His Holiness the Pope. I have here an article in which Mr. Emile Benoist reports, in *Le Devoir* of March 10, an interview given by the consul general of Yugoslavia in Montreal. Here is what Mr. Benoist has to say:

We shall translate as literally as possible the first part of that interview:

The consul general of Yugoslavia, recently appointed in Montreal, Mr. Zaco Popovitch, lays on the Roman Catholic church the blame for "the highly coloured reports" of the trial of Yugoslav Archbishop Stepinac, on charges of collaboration with the enemy.

Much has been written about Stepinac, said Popovitch in an interview, but most of the information is misleading.

We allowed Stepinac to defend himself, but the crimes he had committed were so great that he could not do so. He said that he knew nothing about the slaughter of those Serbians who had refused to become Roman Catholics, but the evidence against him was overwhelming. Neither the Pope nor Stepinac protested against those outrages, but the Pope now claims that the Catholics are persecuted in Yugoslavia.

That statement is absolutely untrue.

In my opinion, the time has come for Canada to prepare a manual of etiquette for the benefit of certain foreign representatives. Moreover, we are somewhat to blame for this unpardonable audacity of the Yugoslav representative in Canada. Indeed, had the Canadian government given effect to the request of hundreds of organizations and of thousands of individuals; had it picked up enough courage and protested against the unjust and despicable way the Yugoslav government treated Archbishop Stepinac, because he was a Catholic, it is quite probable that this new consul would not have dared vent the way he did his ill-humour, upon his arrival in this country. And again today, if the Canadian government accept, without sounding a protest, the insults of this individual, it thereby encourages this man and others like him, to go on insulting us in our own house.

The people insist that the government take a firm and courageous attitude and I hope it will not fail in its duty. There is but one solution to this problem, namely that the Canadian government make the necessary representations to the Yugoslav government to the effect that this representative be called back as soon as possible.

Mr. Speaker, I should like to say a word concerning the amendment to the amendment now before the house. The hon. member for Laval-Two Mountains (Mr. Lacombe) clearly stated what he thought of it, and as far as I am concerned, I fully endorse his remarks.

Mr. PHILEAS COTE (Matapedia-Matane) (Translation): Mr. Speaker, I wish first of all to congratulate my deskmate in this house (Mr. Cournoyer) on his splendid victory in the constituency of Richelieu-Vercheres. I also congratulate him on his maiden speech.

(Text):

I should also like to congratulate my honoured colleague from "Little Chicago", the hon. member for Prince (Mr. MacNaught) on his address. He has proven once more that the crown prince of Prince Edward Island is good timber for the King's cabinet.

(Translation):

Mr. Speaker may I now call to the attention of this honourable house the demise of my two predecessors as federal representatives of the constituency of Matapedia-Matane, Mr. F. J. Pelletier and notary J. L. Dionne. The former was member of the house from 1917 to 1925, the latter from 1925 to 1930. Both passed away in the year just ended, after having, in their own way, admirably served their constituents and their fellow-citizens.

Both served the Liberal party and their country equally well. I again extend my sympathy to both families.

(Text):

I had no intention of participating in this in this sort of academic debate, but since the hon. member for Muskoka-Ontario (Mr. Macdonnell) lifted the lid on the chicken, cooked, stuffed and dressed by the financial bigwigs, I consider it an elementary courtesy to thank him briefly for his helping. The hon. member for Muskoka-Ontario is well known throughout the country as the former president of the National Trust Company of Toronto, and as the financial critic of the Tory opposition. Therefore nobody would dare connect him with anything but big business, financial interests and trust corporations, which, of course, is in perfect harmony with Toryism and reactionary political concepts. So when, the other day, namely on February 7, he took the stand taken by the Tory premiers of Ontario and Quebec with regard to federal-provincial relations, he was in good company and vice versa; for the old saying is always true: "Dis-moi qui tu fréquentes et je te dirai qui tu es." But that union of the bigwigs of finance with the premiers of Ontario and Quebec gave us more than a flavour of what was cooked in the oven of Toryism in this country. It also gave us a taste of the real meat they are serving us as well as the gravy with which they are covering it.

Yes, indeed; at long last the hon. member for Muskoka-Ontario, with his unbiased frankness, told us that the people he represents fully share the views of Messrs. Duplessis and Drew, although he let pass a wonderful opportunity to tell us why their sharing the views was not altogether in harmony with sharing the wealth; or maybe it was simply because he was trusting that we would analyse it. Well, let us do so. Why is it, then, that the Tories and the financiers in this country get together aboard this political bogey of provincial autonomy? Would it by any chance be for the same reason that they got together against family allowances? Let us see, and let us see, first, what is the federal proposal to the provinces and, second, what is the aim of the federal government with regard to these proposals. After that, we shall see why the Tories and the trustards are once more like "larrons en foire" on this issue.

The federal proposal for the provinces can be brought down to this: allow us to levy taxes, part of which you could yourself levy according to the constitution; for we want to assume the cost of social security legislation so as to make it uniform across the country, to say nothing of the financial help we could give you in return for the opportunity of coordinating on a nation-wide basis the reconstruction programme of our streamlined period of the atomic age. In other words, the Mackenzie King government says to the provinces: "We need to exercise a right to taxation to go on with our programme for sharing the wealth. We need that right to draw revenues from those who have so as to give to those who have not." The Mackenzie King government goes on saying to the provinces: "Look. You ought to know why we do ask from you these rights, and there should be no suspicion in your minds about what use we are going to make of them, because you ought to know, by now, what we have done with them while you let us use them."

And for the sake of those who have eyes and see not, let us repeat here what was actually done by the Mackenzie King government with the use of the provincial rights on one hand and the money of those who had ability to pay on the other. The provincial rights temporarily lend-leased to the federal government served first the purpose of implementing a policy of sharing the wealth through social legislation, as for instance, the family allowance, old age pensions, unemployment insurance, et cetera, et cetera; and secondly served the purpose of implementing a policy of asking those who have ability to pay, to do so, for the benefit of those who cannot.

The family allowances, for instance, since established by the Liberal government, have taken from the pockets of those who had, the sum of approximately $800,000,000 which was devoted to those who unfortunately had not. But with the provincial rights of taxation given under terms safeguarding the minority rights and the provincial rights—and here there is nothing to impair the provincial governments for the purpose of safeguarding these principles to collect a small proportion of these taxes—this government, I am sure, would soon find occasion to implement a national system of state medicine for the benefit of all instead of letting medicine service the few. I feel certain that this government would put into effect very soon a better system of employment insurance. I am also sure that this government would soon find ways and means of assisting the crippled, as I believe that shelter, food and clothing could be made available to all at a much higher standard of living than the present.

Let us not forget either the reconstruction programme of the very able right hon. minister, who only waits for the green lights from

the provinces to proceed with his loaded vehicle. May I briefly point out here some of the public works badly and urgently needed and which cannot be undertaken before the federal government secures from the provinces the right to proceed with them, and may I venture to list some of these projects: civic centres, public markets, sewage systems, water mains, exhibition grounds, railway crossings, tunnels, viaducts, sidewalks, et cetera, et cetera, et cetera.

All that involves, of course, a great deal of expenditure which cannot but come from taxation. And as the Liberal government's fiscal policy is to get the money from those who have the ability to pay, in other words the rich people, the latter, through their representatives who are always the reactionary-minded people, the Tories, here in this House of Commons, the financial critic of the opposition and in the Tory provincial houses, Messrs. Drew and Duplessis, the bigwigs of finance, I say, fight and fight like "diables dans l'eau bénite" to quash the costly welfare programme and reconstruction scheme of the Mackenzie King government. Afraid of openly, directly and squarely opposing social security legislation and the government's programme of reconstruction, the Tories and the bigwigs of finance—today in span, tomorrow in tandem, but always pulling together in the reactionary direction—fear the potential costly resentment to their unpatriotic egocentricism and are only too glad to hide behind the smoke-screen of so-called autonomy.

Mr. McMASTER: Has any member of the government seen and approved the speech which the hon. member is now reading?

Mr. COTE (Matapedia-Matane): I can answer my hon. friend without hesitation that the Liberal party is a house of many mansions and we do not need to submit our speeches to anyone, as members of other parties apparently must do. Once more, I wish to thank the hon. member for Muskoka-Ontario for his debunking.

Mr. J. H. BLACKMORE (Lethbridge): Throughout the debate on the speech from the throne the social crediters have maintained that the government should have indicated that change of policy which would make for the removal of the causes of depression. Social crediters have contended that the government has evinced no signs of any awareness of such a change being necessary. Apparently they think that all is well. There has been no hint of any knowledge of the nature of such a change and no disposition to discover the character of such a change if it were needed, or to make such a change if the discovery were made. In other words, Mr. Speaker, the stand which seems to be taken by the members of the government and of the official opposition is simply this, that all is well, that we can go forward forever with the system we are using right now. Our financial system is perfect they assume; our economic system is perfect; all we need is more international trade. That seems to be the attitude of Liberal members and it seems to be the attitude of Progressive Conservative members.

Social credit has maintained from the beginning that government members have no justification for assuming that complacent attitude; that there is every indication on the contrary that we are hastening to a collapse, and that wise members and a wise administration would be looking into the possibilities of finding ways and means of heading off a collapse and avoiding depression. This has been the contention of social crediters ever since this parliament was elected in 1945. It is their contention today, and that is why social crediters are opposed to the financial policy of the present government.

Social crediters are not arguing that the government is not doing wisely in many respects. We are not finding any particular fault with the government, since it is operating under the present financial system; but we are warning that the present financial system has run its course and must be changed, and we are holding the government responsible for recognizing that fact and devising the change necessary and taking measures to implement that change.

Social crediters, through an amendment, have endeavoured to direct the attention of parliament to what they believe is the nature of the change which is essential to avoid depression, and we invite and urge the members of the house to support our amendment. In the years to come, if all goes well, men who take the trouble to read the record of these times will be astounded that the members of this house have sat through twelve years or more of sessions completely disregarding reforms so earnestly advocated and so obviously necessary as the reforms which social crediters have advised since coming into this house.

We once more present these reforms in the form of an amendment. It is the sacred responsibility of the members of the present parliament to discover the cause of depression and of debt. It is also our sacred duty to discover the cure for depression and debt. Finally, it is our solemn obligation to cause to be introduced those measures which will

apply the cure for depression and debt. The cause of coming depression and the cause of debt can be found; the cure can be found, and the corrective measures can be devised and applied within the life of the present parliament. It all depends on how open-minded, progressive, public-spirited and earnest the members of this house are.

There is no time to lose. The situation is urgent. For the assistance of such members as are studying this matter—and I am sure there are a good many in this house and in the country—may I read a statement which is found in a most interesting and instructive book called, "The Principles of Currency, Credit and Exchange," written by Doctor William A. Shaw. I believe it would be well to give an idea who this William A. Shaw is. He is the secretary of His Majesty's treasury in England, or was when the book was written. He is the author of "History of Currency", "The Theory and Principles of Central Banking" and so on. He is editor of the "Calendar of the Treasury Records". He has done those things in his career and has had those opportunities to investigate and learn, which, I believe, entitle him to the greatest of respect by all people who desire to learn the facts about banking and moneys. The date of publication of the book was 1934. On page 5 of the preface there appear these words:

> There is no inherent or scientific necessity for an ever-recurring cycle of over-trading followed by disaster and depression. The cause of that recurrent phenomenon lies hidden in the financial structure of the modern world and it is removable. If our civilization is to survive it is imperative that such cause be removed without delay.

I ask hon. members of the Liberal party, of whom a great number are sitting opposite to me and listening courteously to what I have to say, if words as solemn and as portentous as those can be safely disregarded.

Mr. BRUNELLE: Was the system ever tried in England?

Mr. BLACKMORE: I will give some discussion on that. That is a very fine question. Of course there are some light-minded laughs, based on the assumption which many people make that Social Crediters do not know what they are talking about. No more serious error can be committed by members of this house than to assume that Social Crediters do not know what they are talking about, because they have the best authorities in the world behind them, and they have the facts of the present situation behind them. All that is necessary is that attention be given to the things we urge, and hon. members will all begin to get a grasp of the situation.

The hon. member for Champlain (Mr. Brunelle) has asked me if the Social Credit system has been applied in England. Before I finish my talk here, I am going to point out to the hon. member that when the British government began to use the Bradburys, the treasury notes, in world war I, the British government began to use debt-free money backed by the social credit of England. It was not called social credit, but the principle was there. It was the state creation of debt-free money in the form of Bradburys. The British government saved the British banking system, the Bank of England, and all the other banks of Britain, with the Bradburys. This is a fact beyond all possibility of controversion. How did it work that way? Well, it worked. That is the significant thing. The Bradbury took Britain through the war successfully. It took her through the inflationary period which was likely to follow the war, and was carrying Britain safely into the waters of peace when Winston Churchill, through one of the most colossal blunders ever committed, I suppose, by a statesman in the British commonwealth, allowed the principle of the Bradbury to be discarded and permitted the Bank of England to regain control of the financial policy of Britain. He confessed in 1932 that it was a colossal error.

The hon. member asks me if the principle of social credit has ever been applied. The first fundamental principle of social credit, which is debt-free money created by the state, independent of a bank, was applied in the Bradburys in Britain in the first world war. There will be other examples of debt-free money which I will give the hon. member before I finish my speech. May I thank the hon. member for that question.

It is, of course, important indeed that we find out whether or not social credit has ever been tried. Social credit, as a whole system of technique, has not been applied anywhere in the world. Otherwise I do not suppose it would ever have been discarded. But the principle of the aeroplane was never applied, nor was that of radar applied until someone invented it. Then it was used. The principles of the telephone were not applied up until a certain time. So it is with every invention. Parliamentary government had never been used up until a certain time.

Mr. LOW: And there were unthinking people who said it would not work.

Mr. BLACKMORE: Certainly. The fundamental principle upon which the perfected

structure is based had been tried exactly as was the case with the automobile, for example, or any other great invention. The discovery of the principles upon which the construction was based had been made, were known and were put together by those who were sufficiently skilful to put them together and who saw the possibilities. Do I answer the hon. member's first question? I thank him once more for it.

May I now revert to the quotation which I read, and may I most earnestly urge the members of the Liberal party and of the Progressive Conservative party that they give this matter the most solemn consideration. I wish the hon. member for Muskoka-Ontario (Mr. Macdonnell) who, I suppose, is one of the financial authorities of the Progressive Conservative party, were in the chamber now. I should like to talk to that hon. gentleman in a very straight manner this afternoon. I hope his friends will tell him that I have talked to him, and I regret that he is not here at the moment.

Let me read another quotation to show how serious is the situation we face and how convinced Doctor Shaw is that a solution can be found. On page 8 of the preface of the same book which I have just quoted, we find these words:

What hope is there—

He is thinking now of the possibility of applying debt-free money in the United States and he sees that debt-free money would solve the problem of the United States and would prevent war. He had this to say:

What hope is there for such reform in the United States? To this we simply reply. It is no longer a question of hope. It is now a case of reform or death—death to our civilization. The world cannot stand another crash.

You cannot disregard words like that, Mr. Speaker; you cannot disregard a man of Doctor Shaw's quality.

Social Crediters attacked the C.C.F. amendment and voted against it, because the C.C.F. proposals of government ownership more or less of Canadian industry and government ownership of Canada's financial institutions contained no germ of a solution of our economic problems. I reaffirm that and will defend that stand against anyone who may rise and oppose me in this house or outside this house. I repeat: in the two fundamental socialist proposals there is not even the germ of a solution of our problems. That solution is to be found somewhere else. As I said the other day, the C.C.F. proposals merely confuse the minds of the people. Application of the C.C.F. proposals would do no good and would probably, and almost certainly, do Canada great and perhaps irreparable harm.

I do not want to be anything but kindly, but I must be straightforward and frank. I wish to congratulate the C.C.F. members who have participated in this debate up to the present time upon the high standard of the speeches they have made. That is what I desire to see. There is no need for us to make nasty insinuations and remarks against each other. We are, all of us, looking for the truth. Now let us discuss matters until we find the truth. I should like to commend the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Cariboo (Mr. Irvine) for the high quality of the speeches they contributed to this debate yesterday. In my judgment there were some respects in which they were inaccurate, but in many respects they were accurate.

Why do I say government ownership of industry could not do any good? Well, I put the argument before the house the other day. Our problems are two. First, we must have in Canada ample production; second, we must have in Canada ample consumption to consume the goods we produce. If a proposal is to be of any value to us it must either increase production or increase consumption. I argued, I believe quite successfully and beyond contradiction, that government ownership of the industry of this country will not materially increase production, and it cannot increase consumption, for reasons I have set forth and need not repeat. The cause of our troubles does not lie in industry. May I read one more passage from the same book, which I still hold in my hand. I am not saying this man is an authority whom the C.C.F. should accept; nevertheless consider his qualities; he is a man worthy of respect. This is what Doctor Shaw says at page 12 of his preface:

For the hidden main spring of all the cyclical movements and evils of the past has lain in finance and not in industry.

That is a matter of really serious concern, is it not? It shows the kind of thing on which we should be concentrating our attention as something which might give us a solution. The C.C.F. propose to nationalize or socialize our financial institutions. I can imagine that some hon. members of the C.C.F. who are sitting here so courteously today giving me a hearing, for which I greatly thank them, may say, "Well, we propose to nationalize the financial institutions; we recognize that the trouble lies in finance." My answer is that the nationalization of the financial institutions is

not the solution; it is the use you are going to make of those financial institutions that will decide whether or not they can solve your problem. If you should have government ownership of your financial institutions before you had any policy that was satisfactory to meet the situation, you would probably only increase the difficulties confronting you. I believe, and I think I could successfully establish, that the C.C.F. have completely missed the point once more in this respect, in advocating the nationalization of the financial institutions instead of the introduction of a policy.

Now, with the indulgence of the house I should like to read a short passage from my previous speech so that I may fit in a remark made by the hon. member for Cape Breton South (Mr. Gillis), which I appreciated very much. I want to go on and give him the answer which at that time I promised I would give. At page 1129 of *Hansard* for March 7 I said:

> It is not necessary for the government to have ownership of any of the financial institutions in order to bring about fundamental changes in the financial policy of the country which would enable the country to finance consumption. Let that clearly be remembered.

The hon. member for Cape Breton South said, "Explain." I replied:

> I can explain it. However, I have not the time to do so now.

Considering the amount of time it took me to develop my talk the other night, I think hon. members will recognize that I did not have time to deal with that matter then. May I now proceed to keep my promise to the hon. member for Cape Breton South and other members of the C.C.F. who may be interested in my answer to the question. First of all, may I direct the attention of the house to the Canadian mint. It is not part of any Canadian bank. However the Canadian mint creates money. It will take a certain amount of silver, stamp it, make it legal tender, and probably double its value. In other words, in a twenty-five cent piece, we will say, it creates probably twelve cents of new money, debt free. No bank is needed to create that money; no bank needs to stamp it.

Now suppose you had a government agency functioning as the mint functions, only that instead of stamping twenty-five cent pieces of silver it stamped twenty-five cent bills or dollar bills. It must be obvious to every hon. member that by stamping those bills the government would obtain new money which did not have to be collected by taxation and did not have to be borrowed, but would be just as good as any other money in the world. Surely no one ever questions the value of a twenty-five cent piece stamped by the Canadian mint. It is just as good as any money to be had in the world. Then, if we need new money for consumption purposes, obviously the government can create that new money through a facility which is not part of any bank or banking system.

That was the idea I would have developed for the hon. member for Cape Breton South. I would have gone on to point out to him one or two cases in history where such a thing had been done.

Once more I return to the most interesting and earnest question asked by the hon. member for Champlain (Mr. Brunelle).

Mr. BRUNELLE: But please be as short as possible; we want a vote.

Mr. BLACKMORE: That is right, but we are here to do serious business for this country.

Mr. BRUNELLE: I am convinced; go ahead.

Mr. BLACKMORE: I submit to hon. members of the Liberal party that if they could get and apply the idea this man, Doctor William A. Shaw, has in mind, they would win immortal distinction and honour in this country's history, and would accomplish something many times more valuable than getting a vote this afternoon. I wish to make my humble contribution to the knowledge and understanding of those who will read *Hansard*.

May I turn again to this question of new money, to find out whether or not any nation has ever created and used it. If hon. members will go to the library and get a book called "The Story of Money" by Sir Norman Angell, published in 1929, and turn to the index and look up "Guernsey Island", then turn to the pages of the book which deal with Guernsey island, they will be greatly interested in an experiment which was carried on in that island about 1815.

The Guernsey island people wanted to build a market house; that is, the government of that island wanted to build it. There were three places from which they could get money. They could tax the people; they could borrow the money, or they could create it; that is, they could print £1 notes. The record tells us that they actually did print 3,000 £1 notes. With those notes they bought stone from the quarries in Guernsey island and hired the Guernsey island people to build their market house, and to build that market house without a cost of one cent by way of increased taxation, or one cent of increased debt.

The question is immediately asked: "How did they manage to do it? Did that not cause inflation? Did it not cause a depreciation of money or a rise in prices?" If hon. members would like to examine that matter with thorough care—and I am sure many of them will—they could go to the library and get a little book called "An Example of Communal Currency" by J. Theodore Harris. This book was printed in 1911. They may read that small book, right through and find where an account is given of the Guernsey island experiment, as taken directly from the archives of Guernsey island. They will find that throughout all this record there is no indication at all that there was any rise in prices. In other words, the Guernsey island people got access to a source of revenue which they could not have had, except by the creation of money.

Then the question arises: How did they "get away" with it? May I submit an explanation. In Guernsey island at the time, there were goods such as milk, cream, butter, cheese, fruit and a good many other things which they were producing. They were available in considerable abundance on the markets of Guernsey island, but they were not all being bought by the money in circulation. In other words, there was more production on the island than there was money in the hands of the people to buy.

What the government actually did was to create 3,000 £1 notes which went out into the hands of the people, and enabled them to buy some of those goods which before they had not been able to buy. And because there were still more goods than they could buy, even with these 3,000 £1 notes, there was no inflation, because you never have inflation unless there is a rise in price. And you do not have a rise in price unless there is a scarcity of goods.

How well our experience during the war taught us that. I am sure many more members in the house have learned that, from bitter experience, than knew it ten years ago when I began to discuss this subject before the house. It is obvious to any hon. member today that the cause of inflation is a scarcity of goods. If you do not have a scarcity of goods, then an increase in the amount of money in the hands of the people will not cause a rise in prices, and therefore will not cause inflation.

So what the Guernsey island government actually did was to monetize the surplus goods and services in the markets of the island, which were not being monetized by industry. With the money they so created they were able to build their market house, without financial cost.

I submit to hon. members of the C.C.F., and to other parties in the house, that if the principles involved in the Guernsey island experiment were worked out scientifically, and applied here in Canada, we would have something simply astonishing in the way of increased prosperity. There was the first principle of social credit in operation: the creation of debt-free money, as it was done on Guernsey island.

I should now like to turn to one or two other matters, but I shall hasten along, because I have no desire to delay the house. I believe, however, it is my duty to place some of these facts before hon. members, so that all together we may find our way out of this wilderness. I draw the attention of hon. members in the Progressive Conservative party to the fact that between 1914 and 1917, at a time when there was a Conservative government in power in this country, that the government's treasury used its power, under the Finance Act of 1914, to create $26 million in new money, debt-free, and spent it in connection with the conduct of the war. Hon. members may doubt my word; if they do, they will find verification of what I am saying in the royal commission's report on banking and currency in Canada, in 1933. They will find the reference in paragraph 47 at page 22. I shall not now take the time of the house to read it, but I suggest to hon. members that they do so.

Then may I suggest that the hon. member for Muskoka-Ontario ask himself, in the quiet of his room, whether, if he had been a member of the administration of Sir Robert Borden, he would have voted for the issuance of that $26 million to be spent in the conduct of the war, or whether he would not. That is what Social Crediters want to know. And if the hon. member would not have done that, then he simply would not have been in harmony with his Conservative friends of 1914 and 1917.

Let hon. members of the Liberal party, too, consider this matter with the greatest of care. I have heard it argued that, because the Borden government created $26 million and spent it, it caused inflation. That argument is utterly fallacious. Every member in the house knows today that the cause of inflation is a shortage of goods; we have proved that over and over again. It is not alone the amount of money in circulation that is the cause of inflation.

May I refer again to the Bradbury experiment, and I shall give it to the house briefly.

The British had to use this monetary device between 1914 and 1920; and I believe I shall explain it to hon. members, or to those of them who have not studied this particular point.

In England, when the war broke out in 1914, they were on the gold standard. Consequently all the money in circulation, as a result of all the activities of all the banks in England, was backed by gold. Just as soon as people began drawing their gold out of the banks and sending it out of the country, immediately the money of Britain lost its backing and had to be withdrawn. The Bank of England and the banking system of Great Britain told the government they would have to close their doors within two or three days after war broke out, because gold had been withdrawn from the banks and sent abroad.

This was a crisis of the first magnitude. What did the British government of those days do? Did they say, "We will have to lose this war because we have not gold"? No. They said, "We have goods and services; we have the ability to produce them. We will go ahead, and have money that is not based upon gold." Then they created treasury notes, and said to the Bank of England, in effect, "People will come to you asking for gold. Tell them you have not got it, but you have treasury notes. These treasury notes are backed by the whole power of the British nation; consequently they are better than any gold. And if people say they will not accept them, let them wait until they will accept them."

But the people accepted them. The government went on creating, until in 1920 they had 354 million of them in circulation. The British government bought all the gold coin circulating in Great Britain, using to do so paper Bradburys. They then used the gold to trade for goods from the United States. They financed the war on that paper currency, government created and debt-free. That was a remarkable experience. I commend the record to hon. members who are interested in this, and I can tell by the way they are reacting that a great many of them will wish to read it.

There are several books they might want to read. I have in my hand a most excellent one called "Currency, Credit and the Exchanges", published in 1927 by William A. Shaw. This book will give a simple and straightforward account of the facts of the whole experiment. I submit that it contains information of the greatest importance to hon. members and to the country. Then, another good book which they will want to read is "The Theory and Principles of Central Banking." This, too, was published by William A. Shaw—in 1930. He uses a great deal of the information obtained during the Bradbury experiment.

I submit that if hon. members will read these books they will find them most comprehensive and dependable, and most enlightening treatises on money and banking.

So now I turn from the examples we have had of state-created debt-free money, where it has worked successfully. These examples, Mr. Speaker, illustrate the first fundamental principle of social credit. The next question which I should like to discuss for a moment or two, before I take my seat, is as to how the money should be used. It is quite obvious that if the government went on creating money, and just spent it right and left, disaster would result. The money would have to be used in the right way, just as water in an irrigation system has to be used in the right way. You just cannot turn irrigation water so that it will run willy-nilly over the land. It will cause havoc if you do that. Neither must you allow the water to collect in two or three places. You have to distribute it evenly and scientifically over the whole area to be watered, in a way which will make it do the greatest amount of good. Similarly with money you must distribute it over the whole economy, in a way which will enable the people to consume most fully the goods produced. How is that to be done?

In the first place, new money would be used in large measure for compensating discounts on prices. I shall have to spend a minute or two on that. I believe that the hon. member for Cariboo (Mr. Irvine) was just a little forgetful when he indicated that he had not been able to get any clear comprehension of the proposals of this group. Let me state them again as I have stated them twenty times already on the floor of the house. In the first place, social credit maintains that debt-free money can be created to the extent that there is a surplus of goods and services in the country not being purchased by the money which people are earning through wages and salaries and dividends from industry. That is the first thing.

Then social credit proposes to use that money, first of all, to discount the prices of manufactured goods. Take a binder, for example—and the farmers will be interested in this. Suppose a binder is offered for sale at $350 and the government decides that that is too high a price. The government undertakes to pay sixty dollars of the price. The government pays that amount to the manufacturer, enabling the manufacturer to

make a $60 discount and compensates him for making that discount. If that same principle, the compensated discount be applied to all manufactured goods in the markets, the prices of manufactured goods will be brought down substantially, and the first step will be made toward a just price—a compensated discount to bring down the prices of manufactured goods. That is just the opposite to inflation.

The next thing is to raise the prices of primary products, such as wheat, potatoes, apples and all the other products raised on the farm, the prices of which are notoriously low in bad times. The government can put a floor under these prices using debt-free money, and the floor can be raised to such a point that the primary producers can obtain a return for their products that will enable them to buy a fair amount of the secondary products with the returns from their efforts. Thus is established, through compensated discount and subsidy, the second great principle of social credit—the just price.

Along with that go just wages. The hon. member for Cariboo mentioned last night that there should be an increase in wages. Every member of this house knows full well that if wages are raised to the people who are working in a plant, if the plant has to pay those increased wages, the costs of the plant will increase and its product will be sold at a higher price.

Mr. IRVINE: Unless profits are lowered.

Mr. BLACKMORE: Even if profits are lowered, a good many people will not be able to buy the goods at those higher prices, will not be able to buy the goods they ought to have. The hon. member for Rosetown-Biggar (Mr. Coldwell) and I have contended that no working man should receive less than $1,800 a year under any circumstances. But suppose a man is working in a plant which finds it impossible to pay a wage of $1,800 and carry on; what is to be done? The wages the plant pays out could be supplemented by a government bonus similar to the cost-of-living bonus that was granted during the war. This bonus would not be paid with money raised by taxation or by borrowing, but with debt-free money created in accordance with the amount of surplus goods and services to be found in the state. If this were done, hon. members can see that the money would be put right out into circulation where the people would use it for consumption, which is just what we want. This money could be put out into circulation without the government going into debt to the banks. It could be created and put out by what we call in our social credit terminology the monetary authority.

This is important to bear in mind. There are and will be a number of our C.C.F. friends and other members who will ask: How are you to make sure that the banks will lend money to producers to produce goods? Well, I have never yet seen a bank refuse to lend money to a producer when there was a good market for his goods. The banker will always say to a producer who comes in to borrow money: Are you going to be able to sell these goods at a good price? If you can, all right; I will lend you the money.

If the purchasing power is put into the hands of the people, as I have indicated, by the devices of a just price and fair wages, there will be no difficulty in having the banks lend the money; and if there should be any difficulty the government can use the device we used in Alberta. In Alberta we did not have power over our banking system. That power resided in Ottawa. But we felt that the banks were not lending as much money as they ought to. They were following the policy that was dictated throughout the dominion. So we set up our treasury branches and cut down the interest rate and lent money on more generous terms. Within a surprisingly short time the ordinary chartered banks were lending just as freely as the treasury branch was and at as low a rate of interest.

That indicates how the government can control a monopoly, which is something which troubles our C.C.F. friends tremendously. The government can control a monopoly simply by financing an organization to come into competition with a monopoly and by giving the competing organization those favours which are necessary to enable it successfully to compete. We tried that in Alberta with the slight power we possessed and it was successful. So I submit that we need have no fear of the banks not lending money when we have sufficient purchasing power in consumers' hands. The banks would lend generously for production. Thus we would have a free flow of credit. The loans for production would be repaid or cancelled partly with debt-free money. May I pause there a moment or two.

Up to the present time there has been the danger, when banks have lent money, that they could not get their money back. It is obvious that with debt-free money going into circulation among the people the banks would have a far better chance of having their loans repaid. In many cases the loans would be partly if not wholly repaid with debt-free money. That is one way in which the debt-

free money would be cancelled out of circulation. So there would not be the danger of too much of it being in circulation.

The banks lend money for production purposes but not to pay interest. But interest is necessary to encourage the banks to lend money. The banks also never lend money to pay a profit. If we are to continue under our system of interest and profits the finest way to enable us to carry it on is to have debt-free money which can supply means for the payment of interest and profits. That is another way to cancel debt-free money out of circulation.

There are people in this country who have expressed great concern lest a certain kind of abuse occur. They say: If you ever let the government—our Conservative friends will say, if you ever let these Liberals get control of the power to create money—they will create so much that we shall never be able to turn them out, because they will establish a fascist dictatorship in this country. I do not believe that, but to overcome that difficulty there are these safeguards. In the first place, in the Bradbury experiment the money was automatic, just as automatic as the money which is created in the mint, and no one ever suggests that the government is going to go into the mint and print or stamp so much money that it will be able to corrupt the population. Why? Because they never print or stamp money at the mint unless the banking system says that it wants this money, unless business wants the money to do business with. That makes it automatic.

There are several devices of making automatic the issue of debt-free money for consumption. The amount of surplus goods and services would limit the amount of money to be created. Parliament would supervise all the aspects of the process of creation and disbursement of created money much as it now does the raising and expenditure of money by taxation or borrowing. My time is exhausted, Mr. Speaker, I thank the house for its courteous attention.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the immediate question before the house is the subamendment to the amendment to the main motion on the address in reply to the speech from the throne. I am rising at this time not to supplement anything that I have said or that anyone else has said but rather to try to make clear, as briefly as I can, our position on the immediate question before us, namely, the subamendment. In what I shall have to say I shall offer neither criticism nor commendation of the remarks of any hon.

[Mr. Blackmore.]

member who has taken part in this debate. I wish to say that on the whole the debate has, in my opinion, been conducted on a high level. I think those who have spoken from every section of the house have given their best judgment to the consideration of the questions before us.

In moving his subamendment on Friday last, the hon. member for Peace River (Mr. Low) asked four questions, I believe, and proposed certain principles or policies, seven or eight in number. He then moved his amendment which is expressed in four sections. Then the hon. member asked that we express our opinions with respect to the questions asked and that we state whether or not we concurred in the principles which he enunciated. I would not have risen at this time except that failure to say something might be interpreted as meaning that we were opposed to all of these things or that we supported them all, or some other incorrect interpretation might be put upon it. Briefly, I wish to deal with the questions now before us and I am glad to be able to say to the house that, as far as we are concerned at this time, this will be the last we shall have to say in the debate.

Speaking generally, I favour and we favour much the greater part of what the hon. member had to say. We approve the objectives he sought; and we agree with most of the means which he suggested for achieving those objectives. On the practicability and the utility of one or two of his suggestions I have some honest doubts. When I say that, I want the hon. members who represent the Social Credit party to feel that we are not in any way impugning their sincerity, or the faith they have in the principles they hold. If we do not agree with them in every proposal they advance we ask only that they give us credit for the same intellectual honesty that we give to them.

Let me refer first to the four questions raised by the hon member for Peace River. The hon. member asked whether the party I represent claims that under this government centralization has been intensified, taxes increased, the national debt increased to staggering proportions and bureaucracy carried to unusual levels. I do not need to make another speech to let the house know that the answer to each of these would have to be, yes. On several occasions I have said that taxes are five times as high as they were before the war and probably will remain four times as high. Our debt is four times as high or more, and our civil service twice or more times as numerous as it was before the war.

With respect to the second point, the hon. member asked whether we claimed that the present government has in certain of its policies been introducing socialism while at the same time preaching a different doctrine. The nature of the debate I think answers that question. There is no doubt in our minds about it. Some of the legislation brought down, even at this session, leans toward totalitarianism.

The third question—and the house will pardon me if I deal with these briefly because I wish to get through by half-past five o'clock if I can—the hon. member asked is whether we believe that the government has been guilty of flagrant violation of its promises with respect to the men of the fighting forces. I shall only refer to one of the government's policies in order to answer that question. One has only to observe the housing situation to which these men returned to realize that the answer must be, yes. The inflated prices which young couples have to pay for houses will keep many of them poor for half of their lives.

The fourth question of the hon. member was as follows. He asked if, in our opinion, the government had failed to preserve and vitalize true democracy in Canada, and if it had allowed conditions to develop which encourage the growth of communism and other forms of totalitarianism. One has only to recall two incidents in the recent history of the country to answer that question. One is the extent to which the cooperation of the communists was given to the government in the recent election and the infiltration of communists into the government service, resulting in the spy probe.

With these four criticisms of the general direction in which the government is going we are in entire agreement.

I come now to certain policies or principles, upon which the hon. member sought an expression of opinion, upon which he sought either concurrence or non-concurrence. I do not feel that we have always to answer every question that every debater raises in the house; but, as I said before, in view of the fact that failure to do so might be interpreted either one way or the other and not leave the correct impression as to where we stand, I shall take a few minutes of the time of the house to make that clear. He asked if we concurred in these principles. Let me summarize them as briefly as I can and comment upon them as I proceed.

The first was that full and unfettered freedom shall be restored to the people of Canada. We agree with that, and I think by far the greater proportion of hon. members of nearly every section of the house agrees. We agree with it to the fullest extent possible, short of infringement upon the rights of others.

The second principle was that all unnecessary controls, domination by state democracy, and centralization of power by a multitude of regulations shall be brought to an end. Mr. Speaker, the nature of the debate so far indicates where we stand on these matters. The answer is, yes. I have expressed similar views so often that there is no need of repetition here. I said so at an earlier stage of the debate.

The third principle upon which he asked for concurrence or non-concurrence was that crushing taxation shall be reduced by at least 30 per cent immediately. I have already said that on the basis of the government's own figures such a reduction should be expected. The hon. member went on to say that crushing taxation shall be reduced by at least sixty per cent within reasonable time. I am sure that we would all like to hope that that would be possible, but I am afraid I could not hold out such a hope and expect anyone to believe me, if the heavy commitments already made by the government and to which practically every hon. member is committed are to be carried out.

The fourth principle was that every Canadian shall be entitled to a social security income in addition to his earned income. This is being done now indirectly through the many social services provided by this country and, so far as I know, every hon. member has supported them.

Let me go on. He said that every Canadian should be entitled to a social security income in addition to his earned income, which would render him independent of state charity. I do not know that I understand the full implication of this statement. Certainly the purpose of our whole economy must be to enable everyone to have the opportunity of earning such an income, and the economy must provide it in cases where childhood, old age, accident, sickness or unemployment prevents it from being earned. But the hon. member's statement may contain implications beyond what I have suggested. Since that is probable, I shall refer to it again in just a moment.

The fifth statement of policy upon which he asked comment was this, that the paralysing restrictions on agriculture and industry shall be removed in order that the country's productive efforts may be free to enable adequate housing and other national requirements to proceed. I have been saying that for a long time. The fact is that all such controls as hinder production are a limitation on our

standard of living and such controls should therefore be discontinued at the earliest time practicable.

The sixth principle upon which he asks us to comment is that farmers and other primary producers shall be assured a fair return for their services, and purchasing power sufficient to buy available goods. If I have said that once I have said it a thousand times in the last ten years. It is a basic part of our political creed. Practically every section of the house preaches that doctrine, though the extent to which it is practised by the government may be a matter upon which we would disagree.

The seventh point was that there should be brought about greater stabilization of wage scales and incomes. I know of no political party that does not agree with that objective. It must be obvious to all that this should be the purpose of any responsible government to the full extent that it is practicable in our complex economy. I am sure this government is endeavouring to reach that objective. But the test of government administration is in the results they secure. Certainly we must strive for these ends.

His eighth and last point was this, that parliament shall be made responsible to the will of the Canadian people. That is the principle upon which parliament was supposed to be established, and we must not depart from it. Then he added the statement that constitutional changes should be made to establish the legitimate rights of every Canadian.

If this means, to make the state the servant of the people and not their master, I am in entire agreement with it. I am in accord with the intent of my colleague, the hon. member for Lake Centre (Mr. Diefenbaker), in seeking a bill of rights making this a basic feature of the constitution of the country.

I come now to the amendment moved by the hon. member for Peace River (Mr. Low). It consists of four clauses, three of which I can support and one of which I do not comprehend sufficiently to have confidence in it. The first part of the subamendment would return to parliament complete control of Canada's financial policy. I do not see how anybody could disagree with that. The second part I shall refer to in a moment.

The third part would remove present discouragements to the production and availability of building materials and encourage the construction of houses. Well, we have had a long debate on housing here and it will not avail us much to say anything more now on the question; but that is what we here have all been trying to say for many months past.

[Mr. Bracken.]

The fourth part of the subamendment would clarify the relative rights and responsibilities of the dominion and the provinces in our federal system of government. That is one of the things that I have sought for ten years or more to have achieved—the correction of the errors of the present relationship—errors which I believe every thinking person in Canada admits—correcting them with the minimum of centralization and the maximum of provincial autonomy. It was only upon the acceptance of these principles that this confederation was formed; it will be only with their maintenance that it will stand against the adversities of the future.

With respect to the second part of the hon. member's amendment, I have some doubt; and in expressing that doubt, as I said before, I ask that he give to us credit for the same degree of intellectual honesty in holding our views as we give to him in holding his. That part reads as follows:

> The use of the national credit to meet at least some of the financial requirements for essential services—

That is not the most important part of it; the most important part follows:

> —and, as a guarantee that this country shall not again be subjected to financial depression, to make available to each and all Canadian citizens a proper portion of purchasing power which shall not first pass through the usual channels of industry, etc. . . .

And so on. Mr. Speaker, if society generally had sufficient faith that such a financial policy would prevent depressions—and if it will I am sure we all wish success to hon. members of the Social Credit party in propagating that doctrine—if that is so, I feel sure that parliamentary bodies would, before now, have given wide support to it. Since, so far as I know, they have not done so, it must be because society as a whole has not confidence in it. It may be the fault is in our society; it may be the fault of those who are promoting the doctrine; it may be that we are too obtuse to understand it. At any rate, so far the doctrine has not been widely accepted.

It is a fact, nevertheless, that in some degree such a guarantee is given now; and to the extent that such a fiscal policy has been or may be used for the support of definite public services such as old age pensions, unemployment insurance, family allowances, floor prices and so on, services that are regarded as being essential to the public good, to that degree I support it and I am sure practically everyone in this house supports it.

But, Mr. Speaker, if this part means, as I suspect it is intended to mean, the issuance of money or credit indiscriminately, apart from definite public services, and for no service rendered, then frankness requires that I say I am not convinced of its effectiveness or its practicability. I have tried to keep my mind open on this matter, but so far I have not been convinced of the soundness of such a policy. At the moment I cannot see it in any other light than that it would be giving, indiscriminately, to some people, the earnings of others. I can subscribe even to that for certain purposes, such as for the aged, for children, for the disabled, for the unemployed and for public measures of social and economic justice. But I cannot bring myself to support an indiscriminate policy—I emphasize an indiscriminate policy—which in my present view would have the effect, even though indirectly, of taking from those who work and giving to those who can work but might not choose to do so.

Let me summarize what I have tried to say. I agree wholly with the hon. member for Peace River in his indictment of centralization, extravagance, and high taxation. I agree with him when he says that the government is guilty of flagrant violation of the promises it made to the men of the fighting forces with respect particularly to housing. I agree with him in his indictment of bureaucracy, communism and totalitarianism in every form. Generally speaking, I agree with the objectives outlined by the hon. member and for the most part with the proposals by which he hopes such objectives will be realized. But with regard to the particular proposal, namely clause B of the subamendment relating to the use of the national credit, I have very grave doubts as to its practicability and its utility. I therefore find myself unable to vote for that portion of the subamendment since it might leave the false impression that I am in favour of this particular fiscal policy, when such is not the case.

The house divided on the amendment to the amendment (Mr. Low) which was negatived on the following division:

YEAS

Messrs:

Ashby
Blackmore
Caouette
Fair
Hansell
Hlynka
Jaques
Johnston
Kuhl
Low
Quelch
Shaw
Wylie—13.

NAYS

Messrs:

Abbott
Adamson
Archibald
Argue
Arsenault
Aylesworth
Baker
Barrett
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateaguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blair
Blanchette
Boivin
Bonnier
Boucher
Bourget
Bowerman
Bracken
Bradette
Bradshaw
Breithaupt
Bridges
Brooks
Brown
Brunelle
Burton
Campbell
Cardiff
Case
Casselman
Castleden
Charlton
Chevrier
Church
Clark
Claxton
Cleaver
Cloutier
Cockeram
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Coyle
Croll
Cruickshank
Daniel
Dechene
Denis
Desmond
Diefenbaker
Douglas
Drope
Dubois
Emmerson
Eudes
Farquhar
Ferguson
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve Rosemont)
Fraser
Fulton
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Graydon
Green
Hackett
Hallé
Harkness
Harris (Danforth)
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Herridge
Hodgson
Homuth
Howe
Ilsley
Irvine
Isnor
Jackman
Jaenicke
Jean
Jutras
Kidd
King, Mackenzie
Kirk
Knight
Knowles
LaCroix
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Laurendeau
Leger
Lennard
Lesage
Little
Lockhart
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
Macdonnell (Muskoka-Ontario)
McGarry
McGregor
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean

McLure
McMaster
MacNaught
MacNicol
Maloney
Manross
Marier
Marquis
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Menary
Merritt
Michaud
Miller
Mitchell
Moore
Mullins
Mutch
Nicholson
Nixon
Parent
Pearkes
Pinard
Pouliot
Power
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Bruce)
Robinson (Simcoe East)
Ross (Hamilton East)
Ross (St. Paul's)
Ross (Souris)
Rowe
St. Laurent
Senn
Sinclair (Ontario)
Sinnott
Skey
Smith (Calgary West)
Smith (York North)
Stanfield
Stewart (Winnipeg North)
Stuart (Charlotte)
Stirling
Stokes
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tremblay
Tucker
Tustin
Viau
Warren
Webb
Weir
White (Hastings-Peterborough)
White (Middlesex East)
Whitman
Winkler
Winters
Wright
Zaplitny—211.

Mr. MARSHALL: I was paired with the hon. member for Marquette (Mr. Glen). Had I voted I would have voted for the amendment to the amendment.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, so as to enable us to proceed to have the next division forthwith, I would move:

That Mr. Speaker do not leave the chair at six o'clock this day.

Mr. BRACKEN: May I be permitted to second that motion?

Motion agreed to.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. W. MacNaught 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. Bracken.

[Mr. Bracken.]

Mr. SPEAKER: Is the house ready for the question?

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I shall not delay the house for more than a minute. May I explain that this is a vote of no confidence in the government. If we vote, as we shall, with the official opposition, it does not indicate confidence in the official opposition any more than the vote we have just recorded on the Social Credit amendment to the amendment indicated confidence in the government.

Mr. GRAYDON: Have you any confidence in yourselves?

Some hon. MEMBERS: Question.

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Adamson
Archibald
Argue
Aylesworth
Barrett
Black (Cumberland)
Black (Yukon)
Blair
Boucher
Bowerman
Bracken
Bradshaw
Brooks
Burton
Campbell
Cardiff
Case
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Daniel
Desmond
Diefenbaker
Drope
Ferguson
Fleming
Fraser
Fulton
Graydon
Green
Hackett
Harkness
Harris (Danforth)
Hazen
Henderson
Hodgson
Homuth
Jackman
Kidd
Knight
Knowles
Lennard
Lockhart
McCuaig
Macdonnell (Muskoka-Ontario)
McGregor
MacInnis
McKay
McMaster
MacNicol
Manross
Matthews (Kootenay East)
Menary
Merritt
Miller
Moore
Nicholson
Pearkes
Probe
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Rowe
Senn
Skey
Smith (Calgary West)
Stanfield
Stewart (Winnipeg North)
Stirling
Stokes
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Zaplitny—84.

NAYS

Messrs:

Abbott	Johnston
Arsenault	Jutras
Ashby	King, Mackenzie
Baker	Kirk
Beaudoin	Kuhl
Beaudry	LaCroix
Belzile	Lafontaine
Benidickson	Lalonde
Bertrand (Laurier)	Langlois
Bertrand (Prescott)	Lapalme
Black (Chateauguay-Huntingdon)	Lapointe
Blackmore	Laurendeau
Blanchette	Leger
Boivin	Lesage
Bonnier	Little
Bourget	Low
Bradette	McCann
Breithaupt	McCubbin
Bridges	McCulloch (Pictou)
Brown	Macdonald (Brantford City)
Brunelle	McDonald (Parry Sound)
Caouette	McGarry
Chevrier	McIlraith
Clark	McIvor
Claxton	Mackenzie
Cleaver	MacKinnon
Cloutier	MacLean
Coté (Matapedia-Matane)	MacNaught
Coté (St. Johns-Iberville-Napierville)	Maloney
Coté (Verdun)	Marier
Cournoyer	Marquis
Croll	Marshall
Cruickshank	Martin
Dechene	Matthews (Brandon)
Denis	Maybank
Douglas	Mayhew
Dubois	Michaud
Emmerson	Mitchell
Eudes	Mullins
Fair	Mutch
Farquhar	Nixon
Fontaine	Parent
Fournier (Hull)	Picard
Fournier (Maisonneuve-Rosemont)	Pouliot
Gardiner	Power
Gariépy	Quelch
Gauthier (Nipissing)	Raymond (Wright)
Gauthier (Portneuf)	Reid
Gibson (Comox-Alberni)	Richard (Gloucester)
Gibson (Hamilton West)	Richard (Ottawa East)
Gingues	Rinfret
Gladstone	Robinson (Simcoe East)
Golding	Ross (Hamilton East)
Gour (Russell)	St. Laurent
Gourd (Chapleau)	Shaw
Grant	Sinclair (Ontario)
Hallé	Sinnott
Hansell	Smith (York North)
Harris (Grey-Bruce)	Stuart (Charlotte)
Healy	Tremblay
Hlynka	Tucker
Howe	Viau
Ilsley	Warren
Isnor	Weir
Jaques	Whitman
Jean	Winkler
	Winters
	Wylie—134.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted I would have voted for the amendment.

Motion (Mr. MacNaught) agreed to on division.

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

That the said 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.

Mr. MACKENZIE KING: According to the rules of the house, immediately after the address has been agreed to, the house proceeds to set up the committee of supply and the committee of ways and means. Under a resolution of the house passed some days ago, the committee of supply has already been set up.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

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

That this house will on Thursday next resolve itself into a committee to consider ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 6.20 p.m.

Thursday, March 13, 1947

The house met at three o'clock.

PRIVILEGE

MR. PINARD—AMENDMENT TO MOTION FOR ADDRESS IN REPLY—DIVISION LIST

Mr. ROCH PINARD (Chambly-Rouville): I rise to a question of personal privilege. As a matter of fact, sir, I consider it the most precious privilege any hon. member can have, the right of exercising his vote in the house. Although I voted yesterday afternoon against the amendment proposed by the leader of the official opposition (Mr. Bracken) my name is not recorded in the report which may be found at page 1315 of *Hansard*. I should like this omission to be corrected.

COMMITTEES OF THE HOUSE

CANTEEN FUNDS—BANKING AND COMMERCE—CHANGES IN PERSONNEL

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That the name of Mr. Wright be substituted for that of Mr. Castleden on the special committee on canteen funds.

That the name of Mr. Smith (York North) be substituted for that of Mr. McIlraith on the standing committee on banking and commerce.

Motion agreed to.

FISH

CANNED AND SALTED—DISCONTINUANCE OF INTERNATIONAL ALLOCATION

Hon. H. F. G. BRIDGES (Minister of Fisheries): Mr. Speaker, I wish to announce that after March 31, 1947, no Canadian canned fish will be subject to international allocation. Similarly, allocation of salted cod and other salted groundfish of 1946 production will come to an end on June 30 of this year, and there will be no allocation of salted fish from 1947 production. Examination of the world situation by the international food emergency council at Washington this week has shown the world supply is coming into approximate balance with effective demand, when all fish products are taken into consideration; hence this decision has been made to discontinue the allocation schemes relating to canned and salted fish.

Most Canadian canned fish has been subject to international allocation since the mid-war years. Chief among the products concerned have been canned salmon and canned herring, but the list has also included such others as canned sardines, mackerel, groundfish and pilchards. All of them will come out from under this control at the close of the present month.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN BROADCASTING CORPORATION

Mr. McMASTER:

1. Who are the persons or corporations included in the twenty highest-paid entertainers for the C.B.C. in the fiscal year ending March 31, 1946, and what was the amount paid to each?

2. What large sums entered into the total of: (a) $1,160,674.80 for engineering; (b) station networks, $971,441; (c) press and information, $145,183.73; (d) commercial division, $130,903.47; (e) international shortwave service, $577,809.07?

[Mr. Pinard.]

Mr. McCANN:

1. Production of this information would be detrimental to the position of the corporation in obtaining professional services and staff in a competitive field and would therefore not be in the public interest.

2. (a) Light and power, $91,431.96; maintenance—transmitters, studios, technical equipment, offices, etc., $114,222.10; rental of buildings or floor space, $21,386.14; salaries (including superannuation), $808,091.35; improvements to leased properties, $35,734.59.

(b) This covers expenditures for wire lines only provided by C.N.T., C.P.T., Bell Telephone Company and others.

(c) Advertisements, $23,947.44; printing and stationery, $36,461.01; salaries (including superannuation), $60,070.16.

(d) Salaries (including superannuation), $78,114.89.

(e) Artists' fees, $93,898.29; news—press service, $38,217.02; recording blanks, $20,060.77; rental of buildings or floor space, $40,920.92; salaries (including superannuation), $201,672.81; station line—studio to transmitter, $40,072.08.

DEBERT CAMP

Mr. STANFIELD:

1. What has been the total cost of demolishing Debert camp to date?

2. What is the estimated value of material salvaged?

3. What is the total value of material actually sold and by whom was it sold?

Mr. McILRAITH:

1. As of January 31, 1947, invoices have been received from the contractor carrying out demolition at the Debert camp in the amount of $247,760.42. In addition to this, it is estimated that War Assets Corporation has, to the 14th of February, 1947, incurred direct and indirect costs in the amount of $48,000.

2. Estimated total present day sale value of materials salvaged from Debert project as of February 14, 1947, is $337,464.24.

3. Total value of material sold from Debert project up to and including February 25, 1947, $76,110.75. Sales were made by War Assets Corporation on the direction of Central Mortgage and Housing Corporation. Further allocations are expected as the building season opens up.

TIMBER CONTROL

Mr. HODGSON:

1. What are the names of the members of the timber control board?

2. What salary or/and expenses did each receive in 1946?

3. What is the name of the timber controller?

4. What salary or/and expenses did he receive in 1946?

5. What are the names of the lumber inspectors employed by the timber control board?

6. What salary or/and expenses did each receive in 1946?

7. Are the lumber inspectors working full time for the government?

8. If not, what other position does each hold and with what firms?

9. What was the total cost of timber control for 1946?

10. Does the timber control board assume any responsibility for the demurrage on cars of lumber held under seal awaiting arrival of the lumber inspectors?

Mr. McILRAITH:

1. There is no timber control board.

2. Answered by No. 1.

3. T. F. Flahiff, O.B.E.

4. From date of appointment, August 15, 1946 to December 31, 1946: Salary, $2,842.74; travelling expenses, $1,629.25.

5. Mr. S. Jarman is the only inspector employed by the timber control. The balance of the work is carried out by inspectors of the wartime prices and trade board.

6. Salary of Mr. Jarman, $2,819.77; travelling expenses, $3,246.05.

7. Yes, in so far as Mr. Jarman is concerned.

8. Answered by No. 7.

9. $414,477. This figure includes the cost of operating, for 1946, timber and lumber control, fuelwood control and pulpwood control.

10. The timber control does not assume any responsibility for demurrage on cars. Demurrage is paid by the wartime prices and trade board in cases where there is reason to believe that the contents of the car are not in accordance with the invoice.

HOUSING—WELCOME, ONT.

Mr. STEPHENSON:

Re: the 4 houses being built under the V.L.A. at Welcome, Ontario.

1. What price will the veterans be asked to pay for these houses if and when completed?

2. What did each house cost the government to build?

3. What was the cost of the 100 acres bought at Welcome, Ontario, to build small holding houses on?

4. What has been the total cost to the government of the 100 acres and the 4 houses up to the present time?

Mr. TUCKER:

1. Providing the veteran earns his conditional grant of $1,400 by complying with the terms of his contract for a period of ten years, he will pay, for land, house and services, for the four properties respectively: $5,624.62; $5,329.42; $5,644.57; $4,771.62 with interest at 3½ per cent.

2. $8,105.69; $8,042.12; $8,132.17; $7,154.73. (High costs were encountered due to material, labour and weather conditions.)

3. $7,850.

4. Actually expended to present time: $35,791.34; commitments not yet paid covering drainage, balance of water system, driveways and landscaping will bring total cost to $42,101.59.

HOUSING—VETERANS LAND ACT—ARCHITECTS

Mr. MURPHY:

1. How many architects were commissioned to prepare floor plans and specifications, or either, for homes under the Veterans' Land Act?

2. What are the names of the architects so employed?

3. How were such architects chosen to prepare plans?

4. What was the fee paid?

5. What was the fee received for each plan or specification, or either?

6. What was the total amount received by each architect for preparation of above?

7. Was a fee paid to the above architects for further use of these plans or specifications, or either?

8. If so, how many times were said plans or specifications, or either, used and what was the total amount paid to each architect?

9. Were the above architects required to make inspections of homes under construction?

Mr. TUCKER:

1, 2, 3, 4, 5, 6 and 7. The information sought by these questions was supplied in a return tabled in the House of Commons on February 27, 1947; see *Votes and Proceedings* No. 21, page 135.

8. Plans were used 2,588 times. Certain plans were used without payment on other occasions on individual houses constructed within the Toronto district but information available does not reveal the number of times. Total amount paid to each architect shown in return tabled on February 27.

9. No.

HOUSING ENTERPRISES LIMITED

Mr. TIMMINS:

In respect to the building project known as Housing Enterprises Limited, 1. What proportion, if any, of such housing units are required to be rented to veterans?

2. Does the government have any part in fixing the rental rates in respect to the various types of units? If so, what are the rates set?

3. What proportion of the cost of the project is financed by the government and what proportion by Housing Enterprises Limited?

4. What amount has been advanced by the government to date on this project?

Mr. McILRAITH:

1. Veterans are given full preference in the renting of all housing units managed by Housing Enterprises of Canada Limited.

2. Yes. Rentals are established by Housing Enterprises of Canada Limited on an economic basis and at as low a level as is permitted by conditions involved in each project. The rentals proposed must be approved by Central Mortgage and Housing Corporation and must be below the maximum rental fixed by the wartime prices and trade board.

3. Ninety per cent of the cost of each project is financed by Central Mortgage and Housing Corporation under section 9 of the National Housing Act by a loan for 50 years at 3 per cent. Ten per cent of the cost is financed by Housing Enterprises of Canada Limited as its equity investment on which earnings are limited to not more than 5 per cent per annum.

4. The answer to this part of the question is contained in part 2 of the answer to a question by Mr. Zaplitny, to be found at pages 466-67 of *Hansard* of February 17, 1947.

RATIONING OF NEWSPRINT

Mr. MacINNIS:

1. Is newsprint rationed in Canada?

2. If so, what is the basis on which the quota for publishers is based?

3. Has a request been received from the Vancouver *Sun* at Vancouver, British Columbia, for an increase in its quota because of increased circulation?

4. If so, what action has been taken?

Mr. MAYHEW:

1. No.

2. Answered by No. 1.

3 and 4. Requests have been received from the Vancouver *Sun* for an increase in supply but since newsprint is no longer allocated, no action has been taken. The Vancouver *Sun* has been told that this is a matter entirely between that newspaper and its suppliers.

CANADIAN BROADCASTING CORPORATION—MRS. LAURETTE AUGER

Mr. LENNARD:

What remuneration was paid by C.B.C. to Mrs. Laurette Auger (Jean Desprez), monthly, for 1946?

Mr. McCANN: Production of this information would be detrimental to the position of the corporation in obtaining professional services and staff in a competitive field, and would therefore not be in the public interest.

[Mr. Timmins.]

CANADIAN BROADCASTING CORPORATION ANNOUNCERS

Mr. LENNARD:

On the C.B.C. network for stations CBF, Montreal; CBV, Quebec; CBJ, Chicoutimi (a) what are the names of the announcers; (b) their addresses; (c) what is their individual remuneration as such?

Mr. McCANN:

(a) Name—(b) Residence Address.

CBF, Montreal—M. Couture, 4715 Queen Mary, Apt. 10, Montreal, P.Q.

R. Baulu, 3068 Lacombe, Montreal, P.Q.

L. R. Lecavalier, 5175 St-Hubert, Apt. 1, Montreal, P.Q.

G. Berthiaume, 8432 A. Chateaubriand, Montreal, P.Q.

J. M. Bailly, 7149 Chambord, Montreal, P.Q.

J. N. R. Laplante, 2014 Metcalfe, Montreal, P.Q.

P. Chayer, 4340 Pie IX Blvd., Apt. 1, Montreal, P.Q.

J. C. Chapais, 1802 Rosemont Blvd., Apt. 4, Montreal, P.Q.

J. P. Nolet, 3588 Jeanne-Mance, Montreal, P.Q.

J. Morin, 3450 Berri, Montreal, P.Q.

CBV, Quebec—

L. Cote, 17 Belvedere Ave., Quebec, P.Q.

R. Belanger, 168-10th Street, Quebec, P.Q.

C. Garneau, 48 Sheppard St., Sillery, P.Q.

R. Lelievre, 65½-8th Street, Quebec, P.Q.

J. Cimon, 87 Park Ave., Quebec, P.Q.

CBJ, Chicoutimi—

L. Raymond, 2-A Savard St., Chicoutimi, P.Q.

L. Campagna, 122 Jacques-Cartier, Chicoutimi, P.Q.

J. L. Morin, 809 5th Street, Arvida (Chicoutimi) P.Q.

(c) Production of this information would be detrimental to the position of the Corporation in obtaining professional services and staff in a competitive field, and would therefore not be in the public interest.

RURAL MAIL ROUTES

Mr. FAIR:

1. How many rural mail routes are established in each province?

2. What is the average rate per mile paid in each province?

3. How many couriers in each province made application for war bonus under order in council 4960, June 17, 1943?

4. How many of those applications have been granted?

5. What is the average bonus granted in each province?

Mr. BERTRAND (Laurier): The hon. member has agreed to drop paragraph 3 in view of the difficulties involved in obtaining the information requested. The remaining paragraphs may be answered as follows:

Postal District	1	2
Charlottetown	177	$38.94
Halifax	249	46.49
Saint John	351	42.17
Quebec	515	40.75
Montreal	723	40.32
Ottawa	689	40.32
North Bay	100	44.97
Toronto	575	44.19
London	817	41.41
Winnipeg	151	49.37
Moose Jaw	55	52.51
Saskatoon	121	49.26
Calgary	82	49.68
Edmonton	162	52.11
Vancouver	118	54.18
Postal District	4	5
Charlottetown	115	$196.33
Halifax	47	174.65
Saint John	66	192.53
Quebec	259	243.51
Montreal	315	219.29
Ottawa	239	211.56
North Bay	18	175.03
Toronto	148	186.18
London	283	208.35
Winnipeg	37	191.54
Moose Jaw	9	94.72
Saskatoon	27	113.62
Calgary	15	138.60
Edmonton	26	142.36
Vancouver	35	307.74

Note: The information is furnished by postal districts as the departmental records do not provide the information by provinces.

RENTAL OF OFFICE SPACE IN NEW GLASGOW, N.S.

Mr. BLACK (Cumberland):

1. From whom does the unemployment insurance commission and the national employment service, New Glasgow, Nova Scotia, lease office space, and what is the (a) square footage of same; (b) date of lease and date of termination; (c) amount of yearly rentals, including taxes and electric services?

2. Were the quarters previously occupied by the above-mentioned vacated?

3. If so, for what reason and when was notice given to owners?

Mr. FOURNIER (Hull):

1. The Department of Public Works leases for the accommodation of the Unemployment Insurance Commission the second floor of building, corner of Archimedes and MacLean streets, New Glasgow, from Frank H. Sobey, having an area of 5,300 square feet at a rental of $6,000 per annum, for a period of five years from February 1, 1947, to January 31, 1952. The lessor pays taxes and water rates. As the Unemployment Insurance Commission did not occupy the premises until February no electric light bills have been paid.

The following space is also occupied in the Maritime building, rented from Robert C. Grant: rooms 603 and 604, having an area of 427 square feet at a rental of $756 per annum, on a monthly basis. The lessor pays taxes, water rates and lighting.

2. Yes.

3. The Unemployment Insurance Commission required larger accommodation. The lessors were advised on January 14 that the premises would be vacated on or before February 28, 1947.

CANADIAN BROADCASTING CORPORATION—LARMONT TILDEN

Mr. HEON:

For the year 1946, and the first two months of 1947, what were the amounts paid by C.B.C., in salary and extra-compensation to Larmont Tilden?

Mr. McCANN: Production of this information would be detrimental to the position of the corporation in obtaining professional services and staff in a competitive field, and would therefore not be in the public interest.

VETERANS LAND ACT—SASKATCHEWAN

Mr. McKAY:

1. Have officials of the Veterans' Land Act taken steps to classify and list land suitable for veteran settlement in Saskatchewan?

2. If so, what area or areas have been classified and upon what basis has the classification been made?

Mr. TUCKER:

1. During initial operations under the Veterans' Land Act, a reserve or backlog of suitable lands was built up and lists of such lands were made available to qualified veterans.

2. It has not been and is not the practice to classify whole areas, but to determine the suitability of individual parcels by detailed appraisal on the ground.

TRANSPORTATION—ACCIDENTS

Mr. KNOWLES:

What is the rate of fatalities (a) for Canada; (b) for North America, or whatever portion thereof for which figures are available, per million passenger miles travelled (or other available base) for each of the following modes of

transportation: (1) by train; (2) by commercial air services; (3) by commercial bus routes; (4) by automobile?

Mr. MacKINNON:

Passengers killed per 100,000,000 passenger miles.

1 (a and b) Trains—

1945, Canada, ·157; United States, ·155.

1944, Canada, ·116; United States, ·260.

1943, Canada, ·138; United States, ·291.

2 (a and b) Civil Aviation (Commercial Aircraft)—

1945, Canada, 1·303; United States, 2·31.

1944, Canada, nil; United States, 2·48.

1943, Canada, 1·989; United States, 1·66.

Passengers and drivers killed per 100,000 motor vehicles registered (no data on passenger miles)*

3 and 4 (A and B)—

1945, Canada, 43·42; United States, not available.

1944, Canada, 35·94; United States, 32·52.

1943, Canada, 35·45; United States, 30·13.

*No division between bus and passenger cars.

WAR ASSETS CORPORATION—BUILDING OPERATING EXPENSES

Mr. FRASER:

1. What was paid by war assets corporation during fiscal year ending March 31, 1946, for building operating expenses?

2. What items are covered in these expenses?

Mr. McILRAITH:

1. $65,729.96.

2.

War Assets Corporation Offices at 4095 St. Catherine St. W., Montreal

Guards provided by Canadian corps of commissionaires	$ 8,378.17	
Salaries and wages of cleaners and office maintenance staff (carpenters, movers, etc.)	32,082.35	
Coal for heating building	6,925.36	
Painting offices, repairing offices, general electrical repairs including wiring, installations of linoleum	11,932.58	
Miscellaneous services and consumable supplies (including elevator inspection service, window cleaning, fluorescent lights and small ware	6,258.25	
Cleaning materials and washroom supplies	4,209.28	
	$69,785.99	
Less		
Rental revenue (citadel merchandising)	5,959.46	$63,826.53

War Assets Corporation canteen and snack bar at 4095 St. Catherine St. W., Montreal

Painting and decorating	$ 420.00	
E.G.M. Cafe and Company	365.63	
Carting and transportation charges	215.22	
Installation charges	760.04	
Hardware	15.00	
Supplies and consumable equipment	826.70	
Service repairs and equipment	236.48	
	$ 2,839.87	
Less		
War Assets Corporation's share of operating profit	1,689.28	$ 1,150.59

Ottawa Offices: (No. 4 Temporary Building)

Cleaning and painting offices	$ 483.18	
Moving office furniture	255.50	
Supplies	14.16	752.84
Total		$65,729.96

WAR ASSETS—OFFICE FURNITURE

Mr. GRAYDON:

1. How many office desks and chairs have been declared surplus since the cessation of hostilities by any department of government?
2. How many of these have been (a) sold; (b) stored, by war assets corporation?
3. What contracts have been given by the various departments of government for new office desks and chairs since the cessation of hostilities and how many desks and chairs were involved in the said contracts?

Mr. GRAYDON: I would like to have this question dropped in view of the minister's explanation given on the last day when questions were before the house, on the distinct understanding that it is without prejudice to my putting the question on the order paper again in reworded form.

Mr. SPEAKER: Dropped.

WHITEHORSE PUBLIC BUILDING

Mr. BLACK (Yukon):

When is the federal building for which plans were drawn by the government in 1896, to be constructed at Whitehorse, Yukon?

Mr. FOURNIER (Hull): The construction of a public building at Whitehorse, Yukon, is under consideration.

REPAIR OR RECONDITIONING OF MILITARY EQUIPMENT, SOREL, QUE.

Mr. LENNARD:

1. How many military vehicles or weapons were overhauled, repaired or reconditioned at Sorel, Quebec, during the year 1946?
2. What firm or firms did this work?
3. What was the cost?
4. What disposition was made or is to be made of these vehicles or weapons?

Mr. LAPOINTE:

1. Military vehicles—none; weapons—274 together with spares and ancillaries were modified and overhauled.
2. Sorel Industries Limited, Sorel, Quebec.
3. $514,719.87.
4. These weapons are being issued to active and reserve force units of the Canadian army.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME HOUSING LIMITED

Mr. FLEMING:

1. How many houses has Wartime Housing Limited completed for occupancy up to December 31, 1946?
2. (a) What expenditures have been made to December 31, 1946, by Wartime Housing Limited; (b) has any portion thereof been expended otherwise than on houses? If so, what portion and on what?
3. (a) How many houses are under construction by or for Wartime Housing Limited; (b) in what municipalities are they located?
4. (a) How many other houses has Wartime Housing Limited contracted for; (b) in what municipalities are they to be located?
5. When is it estimated that all such houses will be completed and ready for occupancy?
6. (a) How many of the completed houses have cellars, and how many have no cellars; (b) how many of those yet to be completed will have cellars and how many will not?
7. What quantities of building materials of all kinds has Wartime Housing Limited on hand?
8. (a) How many persons are employed by Wartime Housing Limited; (b) who among such persons are in receipt of salaries of $3,000 per annum, or more, and who are they, and what services do they perform; (c) what is the monthly payroll of Wartime Housing Limited?

Mr. McILRAITH: Return tabled.

HOME CONVERSION PLAN—APARTMENTS IN VANCOUVER

Mr. FLEMING:

As to each of the following buildings: (a) on St. Jean street in the city of Quebec; (b) on Burnaby street in the city of Vancouver; (c) on west 14th avenue in the city of Vancouver, which were the subject of agreements for conversion into apartments on the home conversion plan—

1. With whom as owner was the agreement made for conversion of the building into apartments?
2. If the owner was a corporation, who are its officers and directors and where is the head office located? If the owner was a partnership, who were the partners?
3. What was the estimate of the cost, and who prepared it, and what were the shares agreed to be borne respectively by the government and the owner?
4. Who checked the estimate on behalf of the government?
5. What was the actual cost of the conversion and in what shares has it been borne by the government and the owner?
6. What payments have been made pursuant to the said agreement and on what dates?
7. What record of progress had been made and submitted at the date of each such payment, and by what government inspector or inspectors was the same made or provided in each case? Are all such inspectors in the employ of the government or Central Mortgage and Housing Corporation?
8. What investigation of this agreement, and of the estimate of cost and of the actual cost of conversion, has been made by or on behalf of the government?

Mr. McILRAITH: Return tabled.

SUGAR

Mr. DIEFENBAKER:

1. What was the total amount of the levy by the sugar administration in lieu of duty since April 1, 1942?
2. What was the total amount of the loss in revenue to the dominion treasury through the reductions of the sugar excise tax on (a) cane; (b) beet refined sugar?

3. What does the sugar administrator show as his profit or loss for the year ending August 31, 1946 and the four months ending December 31, 1946?

DEPUTY MINISTERS

Mr. BERTRAND (Terrebonne):

What are the names of all deputy ministers and all those who have by law the rank and standing of deputy ministers?

Mr. GIBSON (Hamilton West): Return tabled.

EXPORTS OF NEWSPRINT

Mr. MacINNIS:

1. For the calendar year 1946, what was the total export of newsprint from (a) Canada; (b) the province of British Columbia?

2. How much newsprint was exported from (a) Canada; (b) British Columbia, to the United States for the calendar year 1946?

3. Is newsprint rationed in the United States?

Mr. GIBSON (Hamilton West): Return tabled.

WAR ASSETS—STE. ANNE DES MONTS-RIVIERE AU RENARD TELEPHONE LINE

Mr. HEON:

1. During the last war, did the government build a telephone line from Ste. Anne des Monts to Riviere au Renard, on the Gaspe coast?

2. If so, what was the cost of same?

3. Has this telephone line been sold either directly or through war assets corporation?

4. If so, to whom and at what price?

Mr. GIBSON (Hamilton West): Return tabled.

NEWSPRINT

Mr. ASHBY:

1. What has been the total production of newsprint in Canada for each of the years 1939 to 1946 inclusive?

2. What has been the amount of newsprint exported to the United Kingdom during each of the years 1939 to 1946 inclusive?

3. Has the United Kingdom been supplied with all the newsprint requested by the trade in the United Kingdom?

4. Are there any orders for newsprint from the United Kingdom still unfilled?

Mr. GIBSON (Hamilton West): Return tabled.

NICKEL

Mr. McKAY:

1. How many pounds of nickel were produced in Canada in each of the years 1938 to 1946 inclusive?

2. What was the quantity of nickel exported for each of the above named years and to what countries were exports made?

3. What was the value of the nickel produced in Canada in each year 1938 to 1946 inclusive?

4. What was the relationship between Canadian production of nickel and world production for each of the above named years?

Mr. MacKINNON: Return tabled.

[Mr. Diefenbaker.]

FEDERAL GOVERNMENT EMPLOYEES IN SASKATCHEWAN

Mr. McKAY:

1. How many persons are employed by the federal government in the province of Saskatchewan?

2. By what departments or branches of departments of the federal government are these persons employed?

3. Are any persons employed by the federal Department of National Health and Welfare in the Province of Saskatchewan?

4. If so, what is the nature of their work?

Mr. GIBSON (Hamilton West): Return tabled.

GOVERNMENT EMPLOYEES

COMPENSATION FOR DISEASE, DISABILITY OR DEATH ARISING OUT OF EMPLOYMENT

Hon. LIONEL CHEVRIER (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to provide compensation to government employees who have suffered death or disability by accident arising out of or in the course of employment or by reason of an industrial disease due to the nature of the employment and to the dependents of such employees; such compensation and costs as may be awarded and the costs of administration to be paid out of the consolidated revenue fund. With provision also empowering the Minister of Finance to require employers to pay the compensation awarded their employees together with expenses of administration.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

BUSINESS OF THE HOUSE

EASTER RECESS

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

That when the house adjourns on Wednesday, April 2, it stand adjourned until Monday, April 14 next.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. A. L. SMITH (Calgary West): I will not detain "Little Chicago" very long. I spoke to this question yesterday as a matter of privilege. I do not intend to move an amendment, because clearly if the house is not in favour of this motion it will be in favour of the alternative which the Prime Minister suggested, namely, from the 2nd until the 8th.

An hon. MEMBER: The 14th.

Mr. SMITH (Calgary West): I still think I am right.

An hon. MEMBER: I think you are, too.

Mr. SMITH (Calgary West): That settles it—the 2nd until the 8th. I am not putting this on any personal basis, because if there is anything one dislikes it is discussions in the House of Commons which are sectional. I put it on the ground that we can do the country's business much better with a short adjournment than we can with a long time. I am sure hon. members will agree that last year after we left here the casualties among people who were simply worn out were greater than any of us knew, if a census could have been taken. There is a further reason. We have here a hard-working civil service and many of them are quite unable to get away for a natural and proper holiday until the house adjourns. Vacation time for these people is in the months of July and August. Last year they were unable to have any proper holiday at the proper time. I may add one other section of our people, the press gallery. They must stay here as long as we do.

I have been told by senior members that it does not matter how long vacations are, the session will be just as long. I do not agree with them, but if they are right it is a sad commentary on our way of doing business, and there should be a change.

I suppose the financial aspect of it is neither here nor there, but I am quite sure that many of us will come back fully revived after a week's vacation. We shall have been sitting for only two months when we leave here on the second. I am asking the consideration of the house for my suggestion; in fact I am inviting hon. members to vote against the resolution, knowing, as the Prime Minister assured us, that there are two alternatives, and that the other would then be adopted.

Mr. THOMAS REID (New Westminster): Mr. Speaker, if I were moving an amendment to this motion, I would move one entirely different from the suggestion of the hon. member for Calgary West (Mr. Smith). It is a well-known fact that of all the members of parliament none make greater sacrifices with respect to business and family life than the members from the far-off Pacific coast. They are here sometimes as long as six and a half or seven months. If I had my way I would move for an adjournment of a week-end, or for the period from Thursday until Tuesday. If any hon. members think that those from distant places like to sit around Ottawa until members from Ontario and Quebec return, they had better give a little more consideration to members from British Columbia coming back on the fourteenth. I ask the hon. member for Calgary West to consider those of us who come from the Pacific coast. The time he is suggesting will not be sufficient to enable us to go home.

Mr. J. A. ROSS (Souris): Mr. Speaker, it is not very often that I differ from my good friend the hon. member for Calgary West (Mr. Smith). I am not yet one of those who have become full-time parliamentarians, and I think there are many others like me. I agree with the hon. member who has just taken his seat. I suggest that these recesses be arranged so that members from great distances may do their travelling over the week-ends. That is an important point to those who come from a distance. Many hon. members in the east are privileged to be able to go home on week-ends and look after their businesses. Recently special arrangements have been made to get them home on week-ends so that they can stay here the full week.

I am very serious about this. I think we should have at least a reasonable recess for Easter so that those who are farmers or business people can go home. Farms or business undertakings do not just run themselves throughout the year without some little supervision at times. In the last parliament the Prime Minister spoke about the difficulty of getting candidates for this House of Commons. If persons who retain an interest in business of one kind or another are to run for parliament they must be given some consideration so that they can look after their businesses or farms as well as attend to the business of the country here. Over the last seven years since I have been a member of the house we have been spending the greater part of the year in Ottawa. In arranging these recesses in the future, consideration should be given to the matters I have mentioned, with particular reference to members who live a long way from the capital. Another suggestion I might make is this. In view of the transportation arrangements which have been made for members from the two great central provinces, consideration might be given to those who come from great distances, both east and west, to the extent of permitting travel by air every so often throughout the year.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, the Prime Minister said yesterday that his desire was to have the adjournment to suit the convenience of the general member-

ship of the house. I am sure he meant that. The adjournment which is proposed, from Wednesday, April 2, until Monday, April 14, is an adjournment of eleven days. That is not a long enough time to allow those who live a long distance from Ottawa to make the trip home, spend any time there and come back. They would be travelling most of the time. I think all members will agree that it is the desire to get through the business of the session as early as possible. I suggest, with all due respect to the Prime Minister, that the adjournment begin on Thursday, April 3, and extend until Tuesday, April 8. That would be five days. No one who has to stay in a boarding house or hotel wants to spend a long adjournment in Ottawa at this season of the year, when the ground is covered with several feet of snow. There is nothing attractive about it. I suggest that five days is ample.

Mr. MACKENZIE KING: Mr. Speaker, I was going to suggest the quickest and at the same time the most certain method of settling this question; if a sufficient number of members rise to have a division, let us have a division at once and the government will abide by the will of the majority. A standing vote might be taken. I do not think names need be recorded. However, I should like to have it understood that all hon. members, including members of the government, are free to vote as they please. I know some of my colleagues would prefer the shorter holiday, while others would prefer the longer one as proposed. As I say, everyone would be perfectly free to vote as he pleases. There must be this further understanding, however, that if the government should not get a majority on this particular motion, it would not be regarded by any means as an expression of want of confidence in the government, but rather as a further recognition of the fact that the government is always willing to follow that well-known democratic principle of being prepared to abide by the will of the majority of the House of Commons.

Mr. BRACKEN: If the Prime Minister will advise us whether or not the government favours this resolution, we shall then be in a position to help him save the life of the government.

Mr. BURTON: I was going to ask the Prime Minister whether the statement he made last year with respect to travelling by air still stands.

[Mr. G. Black.]

Mr. MACKENZIE KING: I thought by speaking, I had closed the debate, and nothing further can be said until after we have voted.

Mr. SPEAKER: Will the house be satisfied with a standing vote?

Some hon. MEMBERS: Agreed.

And a standing vote having been taken:

Mr. SPEAKER: Yeas, 144; nays, 35. I declare the motion carried.

Motion agreed to.

RAILWAYS AND SHIPPING

APPOINTMENT OF COMMITTEE ON ACCOUNTS AND ESTIMATES OF GOVERNMENT OWNED TRANSPORTATION LINES

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That a sessional committee on railways and shipping owned, operated and controlled by the government be appointed to consider the accounts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers and records and to report from time to time, and that, notwithstanding standing order 65, in the relation to the limitation of the number of members, the said committee consist of Messrs: Belzile, Bourget, Chevrier, Clark, Emmerson, Gibson (Comox-Alberni), Harkness, Hatfield, Hazen, Jackman, Kuhl, LaCroix, Lockhart, Maybank, McCulloch (Pictou), McLure, Moore, Mutch, Nicholson, Picard, Pouliot, Reid, Warren.

He said: The object of this motion, Mr. Speaker, is to establish the special committee on railways and shipping, to which are referred the annual reports of the Canadian National Railways, the Canadian National (West Indies) Steamships Limited, and Trans-Canada Air Lines. To the committee are also referred certain items of supply, taken from the committee of supply, and the motion is in the same form as last year.

Mr. T. L. CHURCH (Broadview): I should like to ask the minister one or two questions about the functions of this committee. When it was first appointed, about fifteen years ago, the understanding was that it would make an examination along certain lines, not only of accounts but of matters of policy. It is contended that the committee of supply loses all its functions through the appointment of this committee. How many meetings did the committee hold last year? Very few. They sat around a table and discussed certain features, but forgot all about improvements to

the system. They discussed the spending of money on subsidiaries in the United States, while the Canadian service was neglected. It seems to me that in connection with the Canadian National Railways, charity begins at home. Is this the best system we can devise for administering a property worth hundreds of millions of dollars, and ocean services, hotel services, and last but not least the work of Trans-Canada Air Lines? As far as I know the members of this committee have very little knowledge of transportation or financial matters; and through the appointment of this committee we are losing the whole jurisdiction of parliament over the administration and financing of this great corporation, which gave such splendid service in Canada and on the oceans all during war.

Last year this committee forgot one important matter, that is, the work done during the war by employees of the railway of all ranks. Some of the conductors and others engaged in handling the trains worked eighteen hours a day and the great success enjoyed by the Canadian National and our other transportation system all during the war, their efficiency and the safe manner in which they operated in all kinds of weather, handling the demobilization of troops and transporting them from the seaboard right across Canada, was due in no small part to the work of these men. It seems to me the committee forgot all about that last session, and about a war bonus for them, too.

I believe the time has come when some further examination of this system should be carried out. If it is a public ownership venture let us have real public ownership, not the brand we are getting at the present moment. They have moved their offices from the province of Ontario, where they make most of their money, to another place. The auditor general, I might add, has nothing to say about this system, though he does have something to do with some other public ownership ventures. Now we are removing this system from the control of the committee of supply; and parliament, which came into being to exercise jurisdiction over the tax rate and the expenditure of money, has practically ceased to function in this regard. This system has its own auditors, who are changed practically only when the government changes. I have read the reports of these auditors, but have failed to find any improvements recommended in connection with this great public utility. I believe the time has come when the minister should give some explanation as to the functions of this committee, and what it does; what changes it has advocated, and whether the minister thinks this is a proper policy. I believe some experts should be engaged to find out what is going on in that system. These committees do not know what is going on, but when their report is presented it will be too late the last day of the session for us to do anything but concur in it. It seems to me the committee of supply has ceased to function, and I believe a better policy should be recommended by the system itself to the minister.

Motion agreed to.

PRICES

EFFECT OF REMOVAL OF CEILINGS ON GASOLINE—BINDER TWINE

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I should like to ask the Minister of Finance what consideration has been given to the serious effect on the production of essential food of the action of the wartime prices and trade board, first in removing the ceiling on gasoline and tractor distillate, effective April 1, and second in allowing an immediate increase of $7.50 per hundredweight in the manufacturers' list prices on binder twine.

Hon. DOUGLAS ABBOTT (Minister of Finance): The usual careful consideration.

Some hon. MEMBERS: Oh, oh.

Mr. KNOWLES: Why all the frivolity?

ELDORADO MINES

DISPOSITION OF CHARGES AGAINST OFFICIALS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Reconstruction and Supply arising out of a report in yesterday's press that proceedings had been dropped against two men charged with conspiracy in connection with Eldorado Mines Limited. In view of the extraordinary nature of the investigation into the matter and the statements made in the house during the fall session of 1945, will the minister advise whether or not those charges were withdrawn on his instructions?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I was advised by the Department of Justice that the counsel who has been handling the investigation advised that the proceedings should be in the nature of a civil action rather than a criminal prosecution, and action was accordingly entered in the civil courts of the state of New York. That action is proceeding. The

Department of Justice concurred in the opinion of their counsel that after thorough investigation by the Royal Canadian Mounted Police, by the officials of the department and by the special investigator, the charges brought in the criminal courts could not be sustained.

Mr. DIEFENBAKER: I should like to thank the minister for the statement he has made, and to ask a further question. What is the amount of the claim for damages against these parties?

Mr. HOWE: While I cannot say to the cent, I believe it is in the vicinity of $2,000,000. That would be a general approximation of the amount.

Mr. SKEY: May I ask the Minister of Reconstruction and Supply whether he has had a report from the investigators in the Eldorado Mine incident?

Mr. HOWE: I have not received the report. My understanding is that it has been held for the verification of certain information essential to it. I expect however that it will be sent forward shortly, and when it reaches me I shall be glad to table it.

Mr. SKEY: Will it be made public at that time?

Mr. HOWE: I shall be glad to table it.

IMMIGRATION

REQUEST FOR DEFINITION OF "FARM LABOURER"

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): Mr. Speaker, I should like to ask a question of the Minister of Mines and Resources. In view of the many requests for information many of us have received concerning the new immigration regulations, can the minister give a full interpretation of the term "farm labourer"?

Hon. J. A. GLEN (Minister of Mines and Resources): The hon. member sent me a copy of his question. I do not know that I can add much to the interpretation. "Farm labourer" is interpreted by the farmer as a person who is experienced in farm labour work.

Mr. GRAYDON: A man might be a farm labourer and still be inexperienced.

Mr. ROSS (Souris): And often is.

ALASKA HIGHWAY

INQUIRY RESPECTING HAINES CUT-OFF

On the orders of the day:

Mr. H. G. ARCHIBALD (Skeena): I should like to ask a question of the Minister of National Defence, of which I have given notice. A telegram from Prince Rupert states that General Eisenhower has a letter in the press with regard to Canada's proposed closing of the Haines road to the Alaska highway. Can the minister give us any information on this subject?

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, I have not seen the letter said to have been written by General Eisenhower, and therefore I cannot tell what he said. Any reference to the "proposed closing" of the Haines road would not be a correct way of putting it, as my understanding is that the road was never completed.

CANADIAN WHEAT BOARD ACT

EMERGENCY POWERS—GUARANTEE OF LOANS, ETC.

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the third reading of Bill No. 23, to amend the Canadian Wheat Board Act, 1935.

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, the house may find it a bit strange that I should want to take part in this debate. But if I do, it is first of all to approve the principle of the bill as set out, and secondly because I am keenly interested in the method of transportation of wheat and other grains.

Since the bill has been under discussion some criticism has been levelled at the government, with reference to the movement of grain and this criticism has been of such a nature that I believe a reply should be made at this stage. If in Canada there has been some difficulty with reference to the transportation of grain, it is, as the house knows, due particularly to the acute shortage of box cars. I believe hon. members will be interested in the position with reference to box cars generally, because the matter has been discussed in the press on more than one occasion, and again in the house.

The present box car situation in Canada is acute. Summing up as briefly as I can, I believe the situation can best be stated by saying that at this time there are some 117,000 box cars in Canada. Of that number 26,000 are in the United States, about 44,000 in western Canada and approximately 47,000 in eastern Canada. Of the 44,000 in western Canada about 11,000 are used for the transportation of grain, and the balance for other commodities. However, for the transportation of wheat and other grains there are required a far larger number than 11,000. In fact there are required some 8,000 or 9,000 more box cars for this purpose than is available at present in western Canada.

The situation in eastern Canada is substantially the same. About 47,000 box cars are used for the transportation of various commodities, including feeds, from lake ports and bay ports to Atlantic seaboard ports. There is an acute shortage here, as well, of somewhere in the neighbourhood of 15,000.

Mr. HACKETT: To what extent is the shortage, arising from cars being in the United States, compensated by United States cars which are in Canada?

Mr. CHEVRIER: I was going to deal with that in a moment, but to answer the hon. member immediately—and of course I am speaking only from memory on the point—while I stated there were some 26,000 Canadian box cars in the United States, there are approximately 18,000 United States box cars in Canada. So that there is an adverse balance against Canada on this score of 8,000 box cars. This, however, is offset by the large number of hoppers and refrigerator cars which belong to United States companies, but which are in Canada.

I return now to the general position respecting the shortage of box cars. Why is there a shortage? I have said that there is an acute shortage in eastern Canada, to the extent of some 15,000 cars. Dealing now more directly with wheat, let me say that early in January of this year an understanding was reached as to the number of box cars required for the wheat movement. Had it not been for the extreme weather conditions in western Canada I do not think the situation in that part of the country would have been as serious as it was for a time, and as perhaps it is now to some extent.

The position was fairly satisfactory until about the middle of January, when, because of storms in western Canada, it became more acute. At that juncture, in conjunction with the railways, the transport controller issued a priority order in favour of grain, and that order had the effect of diverting from eastern to western Canada some 2,400 to 3,000 box cars. This procedure met with a large measure of success in meeting the situation for the time being. Industries in eastern Canada, however, felt the shortage, and many of them pointed to the fact that unless something were done to give them assistance they might have to close their doors. After further consideration of the whole picture, again in conjunction with the railways, the transport controller decided to do away with the priority order for grains, and the position today is that the matter is placed squarely on the shoulders of the railways.

Another reason for the shortage points to the coal strike in the United States. One effect of that strike was that most of the canalers used for the transportation of grain were commandeered during the navigation season for the purpose of transporting coal. Every one knows how serious the coal situation was at one time. Had it not been for the measures taken by the Minister of Reconstruction and Supply (Mr. Howe) and the coal control, which existed at that time, I do not think the position with reference to coal during the winter season 1946-47 would have been nearly as good as it was.

Over and above that the railways had the added burden of having to move grain as they normally do during the winter season. They had the additional task of transporting grain from the lakehead and the bay ports during the winter season. This added greatly to their problems and brought about a position which has led to some complaints. It has been stated in a certain editorial that grain is being diverted from Canadian to American ports. That is not so; it is not an accurate statement. Grain has not been diverted from any Canadian port to an American port. Grain has always been moved through American ports. For instance, in normal times grain moves through Baltimore, Philadelphia, Boston, Portland, Buffalo, and Erie. Canadian grain has always moved via the Erie canal and down the Hudson river. During 1946-47 the movement of Canadian grain through American ports has been fifty per cent lower than in any other season.

Some charges have been made with reference to the port of Saint John, and it has been said that grain was diverted from Saint John to Portland. I was aware of the editorial which appeared in a certain Saint John paper on March 8; it came to my attention on March 11. I have read it carefully, and there are many inaccuracies in it. I should like to deal briefly with that for a moment in connection with the situation generally. There has never been a tie-up of ships in the port of Saint John because of a lack of grain. Take March 11, for instance, the day on which this editorial came to my attention. That is a typical day because the position on March 11 is the position which has obtained in that port during the whole season.

On March 11 there were 31 ships in the port of Saint John. Four ships were unloading; fourteen were loading other commodities; five were ready to take on grain; six were fitting and awaiting berths, and two were being repaired. Here is the position with reference to grain in that port on that particular day. There were 348,000 bushels loaded on two

steamers, and as I say there were five ready to take on grain. There were 608,980 bushels in the elevators and there were 502,000 bushels loading in the three steamers at the berths. That left a favourable balance of wheat in the elevators of 96,980 bushels. Over and above that there were in transit east of Monk 1,200,000 bushels of wheat, making a total of 1,297,180 bushels. For the six steamers which were waiting berths, there were required 1,024,000 bushels, which left a favourable balance of wheat of 273,180 bushels in the port of Saint John.

It has been stated that at the very hour when wheat was being diverted from Canadian ports to American ports there were ships in the harbour of Saint John unable to get grain. May I reply to that by saying that at no time were there ships in the harbour of Saint John unable to get grain. On the contrary the ships there were ships unable to get berths because there was too much business. Business was so good at the port of Saint John that certain American companies, becoming tired of waiting for berths, transferred their ships to the port of Halifax.

Mr. ISNOR: The hon. member for St. John-Albert stated that the press report to which he referred was one week prior to March 11, which would be March 4. I do not see how the minister's remarks would apply.

Mr. CHEVRIER: I have not the details for March 4, but I am informed by the transport controller that conditions on that day were practically the same as on March 11. If the house will permit me I should like to deal with the port of Halifax, and I am sure the hon. member who has just interrupted me will be interested in the position there. On the same day, March 11, there were 110,000 bushels of grain in the elevators at Halifax, There were 82,000 bushels in box cars. This made a total of 192,000 bushels. There were required for the steamers in the port ready to load a total of 197,000 bushels. The house will note therefore a deficit of some 5,000 bushels, but there were in transit east of Monk a total of 204,000 bushels of wheat in some 120 box cars and west of Monk there were 174 box cars in transit carrying wheat to that port.

Mr. ISNOR: Is that the same wheat the minister referred to as being en route to Saint John?

Mr. CHEVRIER: Oh, no.

Mr. ISNOR: The minister said east of Monk.

[Mr. Chevrier.]

Mr. CHEVRIER: One was via Canadian National and the other was via Canadian Pacific. I thank the hon. member for the correction. It follows that so far as the port of Halifax is concerned there was an ample supply of grain for incoming steamers.

Mr. HAZEN: May I interrupt the minister to ask one question? Were ships diverted to the port of Portland as the editorial states?

Mr. CHEVRIER: The editorial I have before me refers to the diversion of ships from the port of Saint John, and from what my hon. friend has said I take it it refers to a diversion from the port of Halifax as well, although I do not recall reading that. Ships were not diverted from the port of Saint John or the port of Halifax to Portland. I repeat that grain moves normally to United States ports and ships were diverted from one American port to another. Instead of going via Buffalo or via Erie, it went via Portland. Why? Because the haul to Portland is much shorter. I am informed that the distance from Montreal to Portland is 295 miles and that it takes from twelve to sixteen hours for a box car movement to that port. The distance from Montreal to Saint John is 488 miles, and it takes three days for a box car movement to that port. The distance from Montreal to Halifax is 800 miles, and it takes four days for a box car movement to that port. The Canadian National Railways have a line operating directly from Montreal to Portland. When they make the movement to Portland they use their own box cars all the way. They can be earmarked so that they come back the next day, whereas if they go by other ports they may be lost and held up for some weeks.

As I said to the hon. member for Stanstead (Mr. Hackett) a moment ago, there are a large number of United States box cars in Canada, but there are a larger number of Canadian box cars in the United States owing to the fact that it is often almost impossible to earmark them once they get south of the border.

To the charge that workers were being deprived of work and wages because of this diversion, I say that is not so, because in the first place there has been no diversion from a Canadian port to a United States port. That is not so because the operation took place on the lines of the Canadian National Railways. Many of the workers who were employed on these lines are Canadians, and all of the profit and money derived therefrom enures to the general benefit of Canada.

I should have said that the normal cycle for a box car is twelve days—that is, from the time it leaves its point of departure until it returns equals a period of twelve days. The average movement from Montreal to Portland is four days; therefore the saving so far as box cars themselves are concerned was a great one in that instance.

With reference to the movement of box cars generally the transport controller, in conjunction with the railways, has a most difficult task to perform. I can assure the house that because of the storms, because of the position which I outlined at the beginning of my remarks, it is difficult to satisfy all the requirements. There is grain from the country to Vancouver which must be moved; there is grain from the lakehead; there is feed from the lake and the bay ports down to Ontario and Quebec; there are other commodities such as pulpwood and newsprint which must be moved south of the border, and there are commodities of industries which require attention as well. My colleague points out to me that feed to the maritimes is also an important matter which I should not have overlooked.

Mr. REID: Has the minister any information as to Pacific coast ports?

Mr. CHEVRIER: I am sorry, I have not. The editorial dealt only with the ports of Saint John and Halifax, but I shall be glad to get the Vancouver figures for my hon. friend.

I think the house will agree with me when I say that the railways have a most difficult task with reference to the movement of grain. I believe they have done a good job under all the circumstances. They feel that if all priorities are removed they will be in a better position to handle the grain than if there are priorities. I have figures for the movement of wheat in western Canada. I do not want to put these on *Hansard* because I have them not to March 13 but only to March 7. They indicate that there has been a movement all along the line from March 1 to March 7, on the average of 752 cars to 800 cars a day, which under all the circumstances is pretty fair. I therefore submit to the house that the railways have done a good job under the circumstances, and if the matter is left to them with the assistance of the transport controller, I think grain will move freely throughout the country.

Mr. BRACKEN: Before the minister takes his seat, will he answer one question if he has the information? Can he give the house the relative amount of freight in the form of western grain which passes through the Canadian ports, say at Montreal, Saint John and Halifax, as compared with United States ports such as Portland, Boston, New York, and others? Has the minister those figures?

Mr. CHEVRIER: I am sorry; I have not that.

Mr. DIEFENBAKER: Will the minister permit one more question? Has he any record of the amount of demurrage which the British government had to pay or was charged on shipments of wheat, caused by the hold-up of ships at our ports in Canada during the past fall?

Mr. CHEVRIER: I would not have the information to reply to that question in any event, because the transport controller has nothing to do with demurrage. But my colleague the Minister of Trade and Commerce (Mr. MacKinnon) has drawn to my attention the fact that generally speaking we do not pay demurrage—at least the wheat board does not pay it.

Mr. DIEFENBAKER: That is not my question. I want to know how much the British government had to pay.

Mr. MacKINNON: We have no information on that point.

Mr. GARDINER: A more important question is why they had to pay.

Mr. JOHN BRACKEN (Leader of the Opposition): I am sure the house has listened with interest to the statement of the Minister of Transport (Mr. Chevrier) as to the shortage of box cars and its effect on slowing up the shipment of grain. In my remarks at this time I do not propose to deal with that matter. I am rising to do two or three things. I wish to ask the Minister of Trade and Commerce to answer certain questions which we asked in previous stages of the debate on this bill, and to ask certain other questions with respect to the negotiation of the prices to be paid on next year's crop, and before I sit down I propose to move an amendment, that this bill be not now read a third time but be referred to the committee of the whole to reconsider sections 20, 21 and 22 for the purpose of trying to have the government pay the participation payments on the 1945 crop.

At previous stages in the consideration of this bill certain questions were asked. I think I am correct in saying that these particular ones were not answered: First, how much of the farmers' money the government is holding on the 1943 crop, the 1944 crop and the 1945 crop. It is not so important about 1943; I imagine that is largely paid out by this time.

I do not think the minister answered these questions when I asked them; he did not at that moment have the information available.

Then I asked the minister what was the average rate of interest to the government or the wheat board on these moneys which are being held back and not paid out to the farmers.

I want to know the balance in the government's hands for the 1945 crop particularly, because the crop of that year was sown and harvested and nearly all sold before the British wheat agreement was signed. The British wheat agreement was signed early in July of 1946 and applied to the four following years, 1946, 1947, 1948 and 1949 crops. When the government came to making the pooling arrangement they included with these four years the balances held for farmers on the 1945 crop. I do not know that the house fully appreciated that fact in earlier stages of the debate. The wheat agreement applied particularly to the crops of 1946, 1947, 1948 and 1949, but when the government came to make the pooling arrangement they said they would take in the balances due on the 1945 crop and add them to any balances in the other four years; then if there was any left at the end of 1950 they would pay it out at that time.

I want to know what these balances are, because, whatever certain growers or organizations may have had in mind with respect to the balances due on the 1946, 1947, 1948 and 1949 crops, it was never in their minds that any balance due on the 1945 crop should be included in that pooling arrangement. I want to know the amount held back for that year because the organized farmers desire to have that balance particularly paid back to them without waiting until the year 1950.

Hon. members will recall that in committee of the whole I moved that, instead of keeping all these balances until 1950 and paying out whatever may be left at the end of 1950, the balance should be paid each year. The committee did not accept that amendment. By a vote of 88 to 31, if I remember correctly, that amendment was turned down. I do not therefore intend to waste the time of the house by asking for further consideration of that particular proposal now. I expect that, since the government members and certain other sections of the house opposed it, it would be turned down again. But I wish to raise the question with regard to the payment of the balance for the 1945 participation certificates. In that connection I wish to read from the representations by the Canadian Federation of Agriculture in its presentation to the dominion cabinet on February 28 with respect to agricultural matters in general.

The Minister of Trade and Commerce (Mr. MacKinnon) read certain sections of that report in support of certain aspects of the bill before us, but I want to read what that organization, the Canadian Federation of Agriculture, had to say with respect to this particular matter of the payment of the balance on the 1945 crop. This crop, as I said, was sown and harvested and nearly all sold before this agreement was entered into. This is what the federation had to say to the government in its presentation for this year:

> . . . We protest the action of the government in not retiring participation certificates on wheat delivered to the Canadian wheat board during the crop year 1945-46. We cannot but regard the withholding of these payments as contrary to the understanding which wheat growers had with the government during the whole of that crop year. We strongly urge that any surplus on hand resulting from the operations of the crop year, 1945-46, be paid to producers now and not pooled with the operations of subsequent years.

That is the one thing I urge particularly in asking that the government permit this measure to go back to the committee of the whole in order to reconsider the matter.

There are also some other questions which I wish to ask the minister. These have to do with the price to be paid under the British agreement for the 1948 crop, next year's crop. Under the British agreement, the British government undertakes to pay not less than $1.25 for next year's crop. But in that agreement there is also an undertaking that the actual price to be paid on next year's crop shall be negotiated before the end of December of this year. It is with respect to the attitude of the Canadian government on the price which will be set before this house meets again. It is the attitude of this government towards the price to be negotiated on that 1948 crop, that I wish now to direct some questions to the government.

In order to make clear my position let me read first of all section 2(a) of the British wheat agreement:

> The actual prices to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom government and the Canadian government not later than the 31st December, 1947.

It is clearly set out in a previous section of the agreement that the price shall not be less than $1.25. In this section it is set out that the actual price shall be negotiated before December 31 of this year. I think this

house and the Canadian people should know something of the attitude of the government toward the price which the government will attempt to secure when they negotiate the matter some time before December 31.

I would like the government to answer these questions as specifically as they can. Does the government propose to sell the 1948 crop below the world price? That was done for this year's crop. We know something of what the world price is today. We know what the quotations are for September next, though we do not know what they will be in December. The September price quoted now in Chicago is $2.25 per bushel. Does this government propose to sell the 1948 crop below the world price as it did the present crop? If so, how much below the present world price does it propose to get in that agreement? It is now known that this year's crop was sold at a figure that is probably $100 million less than if the world market price had been obtained. Does the government propose to sell the 1948 crop at any such reduction below the world price?

In that connection I want to refer to another section in this British wheat agreement; as a matter of fact it is part of the same section I have read. It is section 2(b), the latter part of it:

In determining the prices for these two crop years—

Namely, the 1948 crop and the 1949 crop.

—the United Kingdom government will have regard—

I hope hon. members will note these words carefully.

—the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in those years.

I should like the government to tell me what the clause means. Does it mean that in negotiating these prices before December 31, the British government is expected to pay more than world prices at that time because of the fact that it has gotten this year's crop at, say, $100 million less than the world price? Does it mean that? If not, what does it mean?

In answering that question I suggest the minister have in mind an answer given by the British Minister of Food, Hon. Mr. Strachey, to a question in the House of Commons at Westminster on December 11 last. It can be found in the Parliamentary Debates of the United Kingdom. The question was:

Can the right hon. gentleman explain how this policy of buying agricultural products below cost of production in the country of origin, squares with the Hot Springs resolution which this government supported?

This is Mr. Strachey's answer:

We buy agricultural products at the lowest prices we can get them in the world, and if we deviated from that policy I am sure the house would censure us very severely indeed.

I have read the section of the British wheat agreement which says that, as to any advantage the British government now has with respect to this year's crop, the British government will have regard to it in negotiating the price to be paid for the 1948 crop. I have also read the answer made by the British minister, who, I understand, negotiated or helped to negotiate this agreement. I want now to make a brief quotation from an editorial in the Winnipeg *Free Press* with respect to this particular matter. The editorial is from the issue of February 27, referring to an address made by Mr. Strachey to the Canadian club in that city. I quote:

"We (the British government) do not feel that the long term interests of the United Kingdom and the British people will be served by once again seeing the prices of wheat drop to almost nothing and the wheat farmers of the world go bankrupt, one after another."

The editorial goes on:

It is hard to reconcile this with the same Mr. Strachey speaking in the British House of Commons on December 11 last (*Hansard*, column 1156):

"We buy agricultural products at the lowest prices we can get them in the world, and if we deviated from that policy I am sure the house would censure us very severely indeed."

And in London he proceeded to argue—which should interest the farmers of the west—that bulk of state purchase—which is exemplified in the wheat agreement—is the best method of obtaining low prices.

The editorial ends with this comment:

The facts in the present case support Mr. Strachey's position at London, but not in Winnipeg.

Let me put my questions again. Does this government intend to ask the British government to pay more than the world price for the 1948 wheat crop, in view of the fact it has sold a large part of this year's crop to Britain at scores of millions of dollars less than the world price? If not, what does that section 2 (b) in the British wheat agreement mean? And what does it mean having regard to the answer given in the British House of Commons by the Hon. Mr. Strachey?

I have one other aspect of this matter to deal with, and then I shall be through. I refer to the general policy of vesting in government-appointed boards practically all the powers possessed by parliament. Under wartime powers and under the transitional powers act this government was given power to possess

the farmer's wheat, power to sell it, power to do everything necessary to commandeer it and to direct it into certain channels. These were very wide powers. We granted them fully during the war. But in peace time parliament is placed in an invidious position. The Minister of Trade and Commerce made a long-term agreement covering wheat not yet grown. He made it nearly a year ago, for four crops. The Minister of Agriculture makes various long-term agreements about other agricultural products that are not yet produced. They are agreements to deliver farm commodities in specified amounts, and at prices fixed by the government in the agreements. The government makes the agreements and then comes to parliament and says in effect, "You must either repudiate these agreements or else give us the wide powers of compulsion that we ask for in order to carry them out."

If the Prime Minister (Mr. Mackenzie King) had been in his seat today, I should have asked him if as a general principle he subscribes to legislation of that kind. I should like to have asked him, whether if he sat in the opposition instead of over there, if he were sitting here he would have let legislation of that kind be passed without protest. Almost any day now—perhaps today—we shall be discussing another bill in which similar powers will be asked for with respect to other farm products.

I should like in this connection to make our position clear. We do not recommend that any agreement already made be dishonoured. I stated that the other day. There can be no respect for governments if an international agreement entered into by one government is going to be kicked over by another, or even by itself. We do not recommend that any agreement already made be dishonoured, but we are opposed to what is rapidly becoming a general practice, namely, a minister of the crown committing this country to agreements without the approval of parliament. We are opposed to granting to a minister or to the government the power to make agreements that may change the whole face of our agriculture—that are in fact doing that—agreements which make it necessary to come to parliament and ask that unheard-of bureaucratic powers of compulsion be vested in government boards in order to carry them out. The least the government should do is to follow the practice which is followed in trade agreements, namely, to bring the agreement to parliament before it is finally ratified by any board or by any minister.

I want to read just three lines from a newspaper which, whether we agree with it or not in all matters, has had definite views and, I think, very good views with respect to trade. On this particular matter, the Winnipeg *Free Press* of March 7 says:

> In years to come, when Liberals recover from this kind of power madness, defacements of our statute law, like this one, will rise up to shame them.

That is all I had intended to say, Mr. Speaker, at this time. The amendment I desire to move, seconded by the hon. member for Portage la Prairie (Mr. Miller) is as follows:

> That the said bill be not now read the third time, but that it be referred back to the committee of the whole for the purpose of reconsidering sections 20, 21 and 22 thereof.

My main purpose in referring to these particular sections is to have consideration given this one point: That the balance due on the 1945 crop, which was sown and harvested and largely sold before this agreement was entered into, be paid out now rather than included in the pool for the whole five years. I am assured that the resolution is in order. In case it should not carry, however, I should like to ask the minister or someone on the government benches to give all the information he can with respect to the balances held on the 1944 and 1945 crops, and such information as can be given with respect to the attitude of the government in negotiating the price for next year's crop. I ask that because this session will be prorogued in midsummer and this particular business will be completed before we come back.

Mr. P. E. WRIGHT (Melfort): While I do not agree with the latter portion of the remarks of the leader of the opposition (Mr. Bracken), I find myself pretty much in agreement with respect to the clause he wishes to have amended. As a matter of fact that was the position taken by this group in the discussion of the bill. We felt that the 1945-46 crop had been included in the agreement without the consent of the wheat producers, and that because of the rising production costs the government have permitted, which are creating a hardship at this time, the government should give serious consideration to paying out the 1945-46 participation certificates.

With regard to this matter of rising costs, we in this group have supported this bill largely because we believed the government were sincere in their intention to maintain the ceilings on the costs of production in this country. That was the undertaking the government gave this house and the country when this agreement was initiated. But we do not find that being done today. Only recently we saw the ceiling taken off gasoline and the ceiling on binder twine raised to

permit the wholesalers to increase their prices on binder twine to the trade in western Canada by $7.50 a hundredweight. Today when the hon. member for Yorkton (Mr. Castleden) asked the Minister of Finance (Mr. Abbott) a question in this regard he was given a flippant answer, which shows the extent of the minister's anxiety as far as the farmers are concerned. We certainly did not appreciate that answer, and I do not think it should have been made. I do not believe he gave very much consideration to his words at that time. An increase of $7.50 a hundredweight in the price of binder twine to the western farmer means an increase of 33⅓ per cent. That is an additional cost in the production of grain in the west, and I must say we in this group are very much disappointed in the actions of the government over the last six months, in allowing agricultural costs to increase at the rate they have increased. If this continues it will destroy the value of the whole stabilization programme as far as grains are concerned. Unless some attempt is made by the government to maintain present costs of production it is going to become a serious matter.

With regard to the amendment that has been moved, as I have said already during the discussion of the bill we suggested that this matter should be given consideration. Therefore we intend to support the amendment.

Mr. ROBERT FAIR (Battle River): I do not consider it necessary to make a long statement at this time; I did not kiss the blarney stone when I left Ireland, so my remarks this afternoon will be brief. I simply want to say that this bill will not entirely meet with our approval, particularly in the matter of the failure of the government to give an undertaking that the wheat board will accept, at the guaranteed minimum price of $1.35, all wheat offered to it during the pool period to July 31, 1950. We feel that such a definite undertaking, expressed in plain English in this bill, should be given to the Canadian farmers. They were asked to make great sacrifices during the war. These they made with no protest whatever. They are now being asked to make further sacrifices to make possible the fulfilment of the government's agreement with Britain. It is only right, therefore, that they should be made to feel secure in the knowledge that what wheat they do raise and offer for sale during the period to July 31, 1950, will be accepted, and that at no time during the period will they be left with quantities they themselves cannot store, nor at the end of the period with substantial quantities they may have to sell at greatly reduced prices. I listened carefully to all the arguments both for and against the proposition made from this corner of the house, and I must say I was not much impressed by the arguments of the members of the government, all of whom failed to make a valid case for their failure to give in the bill the undertaking requested by us.

Had I been a little nearer Mr. Speaker, or had his eyesight been a little better, I might have had an opportunity of moving an amendment in the following words:

> That bill 23 be not now read the third time, but that it be referred back to the committee of the whole for consideration of amendments designed to commit the government to the acceptance of all wheat offered for sale during the period to July 31, 1950, to settle for the 1945 crop when sold, and to raise the initial payment to $1.55 per bushel on the four remaining crops.

Those things are what we had in mind; they are the points that were emphasized continuously during the debate, both on second reading and in committee. I hope the house will see fit to support the amendment moved by the leader of the opposition (Mr. Bracken) and send this bill back to committee, in order to help the farmers get a square deal even if only on this one point.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, in rising to say a word or two in connection with this bill I wish to make it clear that I am not doing so in order to support the amendment, but rather because of the remarks made by the Minister of Transport (Mr. Chevrier). I listened carefully to the discussion of this bill both in the house and in committee of the whole. Hon. members advanced arguments for and against it, and coming as I do from the east, where perhaps we are more particularly interested in fish than in wheat, it seemed to me the government was to be congratulated on having made such an agreement as this.

Mr. ROSS (Souris): You probably know a lot more about fish than you do about wheat.

Mr. ISNOR: It is probably true that I know more about fish than I do about wheat. But after listening to the hon. member discourse for hours about wheat, I must confess I am more than ever confused as to what policy would meet his wishes, and at the same time meet those of the rest of the country.

However, after listening to arguments on all sides, it is my belief that the government has made an exceptionally good contract. I would associate myself with what was said

by the hon. member for St. John-Albert (Mr. Hazen) who, the day before yesterday, brought to the government's attention the fact that wheat was being shipped through United States ports. We in the east were conscious of this as early as last October. As a result, at that time the Halifax board of trade, acting in conjunction with the board of trade of the city of Saint John, brought to the attention of the government, and particularly the attention of the Minister of Trade and Commerce (Mr. MacKinnon), their fear of a shortage of wheat on the Atlantic coast, thereby making it almost impossible for the government to carry out its commitment.

I would repeat that it was as early as last October that we brought this matter to the attention of the government, and particularly to the attention of the Department of Transport and the Department of Trade and Commerce. Today the Minister of Transport has given figures showing the number of box cars which were in the United States, and also in eastern and western Canada. I shall not deal with this in detail, more than to say that had the railways been alive to the situation, as it was brought to their attention last October, and in the following months of November and December, the shortage of 8,000 box cars in Canada today would not exist.

In support of his contention the minister has urged that it was necessary to ship through the United States port of Portland, and has stated that, while the box car turn-back from Portland was four days, it was eight days from Halifax. In stating that, however, he forgot an important fact in his picture of the transportation system. I refer to the shipping distance from Halifax.

At this point I should like to place some figures on record. The sailing time of a 16-knot vessel from London to Montreal is 203 hours, while to Saint John it is 182 hours and, to Halifax, 172 hours. Halifax is thus ten hours shorter than Saint John and thirty-one hours shorter than Montreal. Then, it need not be repeated that Halifax is open all the year round, so far as shipping is concerned, and at all times is entirely free of ice.

Mr. MacNICOL: Can the hon. member tell us the number of hours from Portland?

Mr. ISNOR: There is no question in my mind that grain shipped through Halifax would reach London much faster than if it were shipped through Portland.

Mr. HACKETT: About six hours.

Mr. ISNOR: Thank you. In addition to that I have in mind the additional employment resulting from shipment through Canadian ports. Last year, when export-import legislation was before the house I pointed out that at the port of Halifax we have 1,600 longshoremen, 1,000 freight handlers and 1,400 others more or less directly connected with the handling of cargo at our port.

Then, it is not only grain with which we are concerned. The bringing of ships to our ports to handle grain has the effect of creating other cargoes, thus adding to the number of ships entering our ports, and to the amount of business derived from those ships by way of repairs and other employment in connection therewith. Every time a ship of 5,000 tons is loaded or unloaded at Halifax it means that an average of $12,500 is paid out in wages.

I now come to the question of the shipment of grain through the port of Halifax. In 1942 there were 32,844,580 bushels shipped through that port. In 1945 that figure had dropped to 15,051,638, and this year it is estimated that no more than 7,000,000 bushels will be shipped through Halifax.

One can understand my concern with respect to the failure to make arrangements for the transportation of grain through Canadian ports, and my further concern that no consideration, so far as I know, has been given to including in the wheat agreement a provision which would definitely guarantee that all grain for export should be shipped through Canadian ports. When I refer to Canadian ports I am referring not only to that great port of Halifax, but to all ports of Canada.

It will be recalled that the late Right Hon. W. S. Fielding made a special provision to the extent of ten per cent in favour of goods entering through Canadian ports, and I should like to see a provision something along that line in this agreement. Therefore I suggest to the Minister of Agriculture (Mr. Gardiner), through you, Mr. Speaker, that, in addition to the sections already appearing in the bill, he add another stating:

> And it is further agreed that all goods under this contract or agreement must be shipped through Canadian ports.

I do not wish unnecessarily to take up the time of the house in the discussion of this measure. I felt, however, that I must say a word in connection with transportation, particularly in view of the fact that some of us in the east recognized away back as early as October, 1946, that a situation such as has arisen might develop. It is because of the present condition that I urge the government today to consider the views I have expressed, and to see that no further shipments pass through United States ports, but rather that

in future they pass through our own Canadian ports, thus adding to employment at those points.

The hon. member for St. John-Albert stated that a million bushels of wheat had been shipped through Portland. I think the figure of one million bushels is used for that particular period, and I am concerned over the possibility of there being further shipments of a similar quantity. I hope the Minister of Agriculture will take these views of mine into consideration and pass them along to the Minister of Transport in order to make sure that we do not have to put up with this sort of thing.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to support the amendment of the right hon. leader of the opposition (Mr. Bracken) because he is right and he is honourable. I think this bill should go back to the committee of the whole house for further consideration in view of the statement made yesterday in the British House of Commons by a former leader of the government, Mr. Churchill, that Britain is actually starving. It is stated that the people of Britain have actually less food than most Germans and that their health is suffering. Sir Earl Page, leader of the Country party in the Australian house said yesterday that if relief were delayed much longer it would sound the death-knell of imperial preference. The same could be said with reference to Canada and the six cents a bushel preference on grain we had started by Sir Wilfrid Laurier to Britain, our most reliable and best customer.

I am one of those who have always supported the grain growing industry. I consider it is the key industry of Canada because it means so much for the prosperity of the whole country. But we should not forget our best customer, the mother country. She stood by us in days of stress and strain six years ago when, save for the dominions, she stood alone against the axis powers. So far as supplying wheat and other commodities until 1950 is concerned, that is a matter for other agencies, but I really believe it would be better for us to give the necessary food to the mother country, where they are now having to ration bread and starving for food. Australia has just voted to give her £20,000,000 toward aiding Britain to meet expenses.

It is said that 100,000 bushels of grain is to be purchased by Britain from Argentina. We should not lose this great British market for this great industry. The agreement we have signed provides for prices ranging from $1.35 to $1.50 a bushel over a period of three or four years, or the market price, but I think it would be far better for us to abandon that policy altogether and adopt some form of lease-lend, similar to that adopted by the Minister of Finance in connection with lending money. For six or seven years Great Britain was all that stood between us and the loss of civilization and freedom. Compared with Britain, we have not suffered at all in this country.

I do not object to ministers from Britain and from other dominions coming here and talking about imperial affairs as they have. We do not object to Americans doing so here. We are part and parcel of the empire and I see nothing wrong with ministers from other places coming here and expressing their opinions without being criticized in this house. I do not approve that; I never have and I never shall. Reports were given yesterday in the British House of Commons of the awful suffering for food, coal and electricity that country is going through. We have not before us as yet the debates in the British house and must rely upon the newspapers for our information. The people of that country have given away much of their food to feed Germany and other invaded countries in Europe. The British starved themselves during the war to do so and suffered terribly. Australia and other parts of the empire have discussed this matter. I would rather apply a system of bonuses, subventions and subsidies to make up what the grain grower might lose under this bill by adopting this agreement with Britain to make up any out-of-pocket expenses herein.

After all is said and done, you have to consider the place of the middleman in the grain industry. I remember debates in this house over the years when it was shown that the farmer, the man who actually grows the grain, was fleeced out of large sums of money by middlemen who handle the grain. While I appreciate that this is a great industry, I believe the time has come when we should hearken to the handwriting on the wall. Are we to throw away preferences? That is where you are heading. According to the statement made by a leader of a party in Australia yesterday, that is where it is heading. He said Australia is going to sound the death-knell of imperial preference by its food policy there, and I am not a supporter of the sounding of the death-knell of that great principle after all it did for us between the two world wars.

We should be ready to lend money to Britain and provide all the food they need. In that way we could have avoided the terrible mistakes that were made in connec-

tion with the United States loan. I support the motion made by the leader of the opposition to refer this bill back to the committee. I believe it should be referred back and considered very carefully. Great Britain did so much for us during the war, and we should not fail to support the mother country in the great food, coal and electricity crises which face her today.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, I do not think it is necessary to restate the position of the C.C.F. in connection with this bill or to point out what we consider are the inadequacies of the legislation. This has been done very well by my colleagues who spoke on the second reading, but there are some observations which I should like to make. I agree in principle with the bill; but, as has been mentioned, it is not adequate. In the past we have seen great fluctuations in farm prices, and in this connection I wish to refer to a newspaper report as follows:

> Mr. Hannam quoted Fiorello LaGuardia, New York, as saying: "You know and I know that the farmers of the world have been exploited and are still being exploited."

Then Mr. Hannam continued:

> We want stability not for purely selfish reasons. We want it if the people of the world are going to have more and better food to eat.

That is one of the great considerations at this time. It has been said that this bill affects only Canada, but I maintain that it affects all the world and, because of that, it is one of the most important bills coming up in this house.

We attempted to give some sort of stability to agriculture during the war, but the government permitted a break in the stability when they allowed an increase in prices of farm machinery. That was nearly the straw which breaks the camel's back, because, for the first time, we had farmers organizing to put on a non-delivery strike. If this sort of thing continues and the government does not accept the responsibility for giving parity prices to agriculture, rather than stability in the basement, we shall have a situation in Canada which will be a reflection on democracy in this country.

The farmers of western Canada are not satisfied with this agreement. We feel that we should have parity; that we should have a decent standard of living; that we should have prices above the cost of production which will guarantee us a decent standard of living. The hon. member for Lake Centre (Mr. Diefenbaker) was quoted in the press and he can correct me if I am wrong; before the opening of the session he was reported as having said that he was coming here to ask for $1.85 wheat. I wish to say—and I intend to say it to my farmers and constituents—I do not think you can have your cake and eat it. If you want stability you must be ready to accept a price of parity. In other words, at the moment you cannot demand the world price which is perhaps enhanced by world conditions, and immediately afterwards demand parity. But I do say that, unless we go back to the 1900 economics and administration of government, today the government should take the responsibility to see that agriculture gets parity.

What has happened is that during the war the farmers have taken losses on their wheat. In most cases our prices have been steady and stabilized. As was indicated by one hon. member, the farmers have lost money which they could have received. If our farm products, chiefly wheat, were sold on world markets we could have received around $400 million. However the farmers were not kicking so much until the cost of production started to go up. As was intimated in the house today by the hon. member for Yorkton (Mr. Castleden), the restrictions on the ceiling price of gasoline will be removed the last of the month. We find that the price of binder twine is going up. In the face of that, we find that the responsible minister has the audacity to rise in his place and say, without any show of seriousness, that these matters are being given the usual consideration, or something to that effect. If that is the usual consideration which is being given to the difficult problems in this country I want to say that we are headed for another depression which will be as bad as the one we had in 1930 when the Tories were in power.

I believe we have come farther than that. I should like to indicate to the government that, although we have had in the west a degree of prosperity, yet this situation prevails. I hold in my hand statistics which were furnished me by the bureau of statistics. These statistics show that the total farm debt, including mortgages and agreements of sale of land for the year 1941, stood at $799 million, and further that the institutional holdings of farm debt by insurance companies, trust loans on mortgages, government agencies, municipalities, railways and so forth in 1938 stood at $418 million. By 1945 when we had been getting decent prices and good crops we had reduced that debt to $263 million. But I wish to point out that, until that debt is practically cleared up and the farmers get out of the red, we want fair prices for the

farmers. This indicates that our whole economy is going out of gear and we are headed for a position where we shall have decreased consumption. What we farmers want is everyone to have all they want to eat.

The Minister of Agriculture (Mr. Gardiner) said that, until beef was rationed in this country, we had not shipped any considerable amount of beef out and that we had to continue rationing because we had put 750,000 of our boys and girls in the services. They were starting to have some money in their pockets and our farmers were starting to get decent prices and putting beef on their tables as they had not done before. This indicates that there is a potential market in Canada. Only when the people get a fair share of the national income, good wages and fair prices will they buy that stuff.

I was talking to a friend of mine in this city the other day. He was in a butcher shop where he usually does his buying, and the butcher said to him as a lady came in—they were speaking about the business trends which were taking place—"Watch what that lady buys." He said: "Formerly, three weeks ago she would have bought a Saturday night order of around $12 worth of the best cuts of meat in my shop." She bought bologna and some of the cheaper cuts of meat. That is what is going on. She bought only $2 worth. That is what is taking place all over the country today.

The "Economic Annalist" of February, 1946, states this:

> The cash income from the sale of farm products for 1945 is estimated by the bureau of statistics at $1,654 million. This total is about 8 per cent less than the record high of 1944.

I hold in my hand a press report of the remarks of George Bickerton, publicity director of the United Farmers of Canada, Saskatchewan section, which says:

> Saskatchewan farmers' income dropped $137,573,000 in 1945 with a further drop of $50,485,000, in the first six months of 1946.

That is the situation which faces us today. We of this group have asked for the inclusion in this bill of all coarse grains, but we have been unable to have that done. I might point out that flax, which I think all hon. members will recognize is one of the crops which we should have produced on a stable basis over the years and not on a fluctuating production basis, in 1941 brought an average price per bushel, No. 1, at Fort William and Port Arthur of $1.615. By 1945 it was $2.75 a bushel. This shows that in many parts of agricultural production there is no stability whatsoever.

We are not completely satisfied with this bill. In the first place, I believe that all participation dividends and sales coming from the 1945 crop should be paid out for that year. It is the responsibility of this government how they do it. That is their business, but we should have from year to year calculated parity prices for the farmers. I support the motion of the leader of the opposition (Mr. Bracken) that sections 20, 21 and 22 be referred back to the committee for further consideration.

Mr. J. A. ROSS (Souris): I shall be brief. I have taken it for granted that the responsible minister for the department and the responsible minister for the United Kingdom-Canada wheat agreement would have endeavoured to answer the questions which were put so frankly and forthrightly by my leader in his discussion this afternoon. I just wish to say—

Mr. GARDINER: May I just suggest that if the minister spoke he would close the debate.

Mr. DEPUTY SPEAKER: Order. May I remind the house that we are on third reading, not on second reading.

Mr. GARDINER: On a point of order, is it not true that if the minister speaks a second time he will close the debate? He has moved third reading and has therefore spoken once. If he speaks again will he not be speaking twice?

Mr. DEPUTY SPEAKER: I would remind the house that we are now discussing the amendment. There is no closing of the debate on an amendment.

Mr. GARDINER: Then the minister has spoken.

Mr. DEPUTY SPEAKER: The leader of the opposition moved an amendment. The minister has not spoken on the amendment.

Mr. GARDINER: That is so.

Mr. ROSS (Souris): As I said, I had contemplated waiting until the two responsible ministers had endeavoured to answer the questions put by my leader. Since they sat silent and Your Honour was prepared to put the motion, I thought I should make a few brief remarks.

Referring to the amendment which was moved by my leader, I wish to say that when the producers of Canada planned their operations for the production of wheat during 1945 they were distinctly led to believe by the government of the day that they would receive an initial payment and participation

certificates when they delivered the wheat for that year. They were led to believe that when the handling and sale for that crop year 1945 should be completed by the Canadian wheat board, whatever profits there might be would be distributed on the basis of the business done for that crop year. That was distinctly their understanding, and I certainly believe that those producers are entitled to feel that the government, in this proposed bill No. 23, are breaking faith with them. The government is breaking faith with the wheat producers in proposing to pay into this five-year pool the proceeds over the initial payment of the 1945 crop. They will be distinctly disappointed in that and will have every reason for saying that the government of the day is breaking faith with the producers in the handling of the 1945 crop. That is distinctly the policy of the government.

As previous speakers have said, as a direct result of the policies of this government the wheat producers in the past few years have lost in the marketing of their wheat many hundreds of millions of dollars which they cannot now in any way retrieve, and that is an irreparable loss. There is no way in which it can be made good to them.

Reference has been made by my leader, in one of the questions asked, to the basis on which negotiations will take place this fall for next year's crop under the United Kingdom-Canadian agreement. Many people may not realize it, but on March 10 of this week Canadian No. 2 wheat, that is export wheat by the Canadian wheat board, was quoted, No. 1 basis Fort William, at $2.90 a bushel; durum wheat, at $3 a bushel, an all-time high for the past thirty years. That is acknowledged by the Canadian wheat board, which is taking full control to commandeer and handle all wheat produced in Canada through a permit. If some mistake is made, or if something is done under the regulations that should not be done, the producer will be in danger of losing his permit. On that same day wheat was quoted in Chicago at $2.80, and even wheat for next September's delivery is over $2.25 a bushel. When we realize that $2.90 a bushel is $1.70 a bushel higher than the price of $1.20, or less, that is paid by the wheat board to the farmer at the country elevator, and that there is no guarantee whatever that he may ever receive more, hon. members will agree that that is a very great difference in price.

As has been pointed out before, under this United Kingdom-Canada wheat agreement, Canada undertakes in the next four years to deliver 600,000,000 bushels of wheat for slightly over $800,000,000, or an average of $1.35 a bushel for these four years, basis Fort William, or less than $1.20 to the producer; and there is no guarantee that he may ever receive any more.

Many Canadians may not realize what that amounts to, but for the five-year period prior to the signing of this agreement the average annual wheat production in Canada was 375,000,000 bushels, and in those five years there was one year when the production was the greatest that there had ever been in this country. Out of those 375,000,000 bushels of wheat we consumed an average annually of 175,000,000 bushels for flour, seed and feed, for domestic use in Canada. That left for export to some sixty countries an average of 200,000,000 bushels. We have contracted to the people of Britain, on the price I have quoted, three-quarters of that quantity, or 150,000,000 bushels, leaving, all told, a remainder of 50,000,000 bushels on an average for export to all the other importing countries of the world. That is the situation and on that basis you can calculate what payments if any may be made on the participation certificates after the five years.

I say, and I think I am right in the assertion, that these producers will be quite dissatisfied. The information was given the other day that the British farmers will be paid $2.40 a bushel for wheat grown in the old country in 1947; for milling barley, $2.40 a bushel; for malting barley, $3.15 a bushel, and for oats, $2.07 a bushel. Those are the prices which the farmers over there will receive for cereal production.

I was interested in the past few minutes to hear two hon. gentlemen, whom I have always spoken of highly as farmers and who sit in the group to my left, advance the very arguments I have used for the past two years and more especially since signing of the wheat agreement. They said that the agreement would not give stability to the wheat producer of Canada. I have said that nothing has been done in Canada to hold down the cost of production, and both hon. gentlemen referred to the ceilings that are going off on the 1st of April, which will allow the cost of tractor fuel to rise. The price of binder twine will also go up. Indeed, the press carries an announcement that binder twine, which a year ago cost the farmers in my part of the country from $11 to $12 per 100 pounds, will be increased $9 per 100 pounds. That is an increase of approximately eighty per cent for those people who have grain to thresh.

In the course of the discussion in the past few days, a statement was given by two ministers, who ought to know what they are talk-

ing about, with regard to exports of lumber. One statement will be found at page 901 of *Hansard*. The Minister of Justice (Mr. Ilsley) stated that a certain type of lumber under the Canadian ceiling sold for $26, the export price, United States, being $70, or a difference of $44; and the Minister of Reconstruction and Supply (Mr. Howe), speaking since then, as reported at page 1233 of *Hansard*, said that on another type of lumber the ceiling was $29 and the export price to the United States, $81, or a difference of $52.

When these various things find their own level hon. members will have some idea of the rapidly rising cost of cereal production in Canada. There are no controls whatever, but the farmer is distinctly tied down for these five years.

Coming back to the principle of the amendment, I say that there is a breach of contract with the producers on the part of the government of the day. The producers are entitled to have profits, if any, distributed to them for the year 1945-46 on their wheat crop, and I hope that all members will give careful consideration to the amendment and support it so that this matter may be referred back to the committee for consideration on that basis.

Mr. F. S. ZAPLITNY (Dauphin): I wish to make a comment or two on the question before the house. It seems to me that the field has narrowed down considerably since the question of the wheat board act first came up. It appears now that we are in disagreement with the bill because it does not provide certain benefits for the farmer. This afternoon the leader of the opposition (Mr. Bracken) repeated what he has said before in this house, that is, that he is not opposed to living up to the terms of the British wheat agreement. In other words, we are now assured that, regardless of who the government shall be in the next few succeeding years, the wheat agreement will hold.

Mr. ROSS (Souris): The leader of the opposition has always said that.

Mr. ZAPLITNY: That is what I am saying. Furthermore, we find that the leader of the opposition has moved an amendment which would refer the bill back to the committee for reconsideration of sections 20, 21 and 22, and by implication this means that he is in complete agreement with the bill except for those sections. That now narrows the field down considerably to the question of what is contained in these three sections. I think the biggest bone of contention now is not the principle of the bill as a whole but whether the farmer, under the bill, is getting all the benefits he should get out of it and getting them at the right time. The two things under discussion at the present time appear to be the payment of participation benefits and the initial price of the wheat itself. I think both those problems can be combined and can be easily solved if the proper minister would rise in his place in this house and say today that the initial price of wheat shall be $1.55 instead of $1.35. By making that announcement he would be doing two things. First, he would be guaranteeing the farmer a greater immediate income on his grain; and, second, he would be leaving far less money in the wheat board fund, over which the argument seems to be developing; that is to say, there would be less left for distribution at the end of the pool period and more money would be made available immediately to the farmers.

I do not think any argument has been brought forward in this house to prove that the government could not pay $1.55 as an initial price; and the trend of events in the last few months alone is such that we are being forced to the conclusion that, unless the government is willing to pay more for the grain or else to hold the price of other commodities down, the very basis on which this British wheat agreement could have been successful will be completely destroyed. The farmers who accepted the agreement did so because they felt that there was a real need overseas for as much food as possible at prices as reasonable as possible in this period of time. What we see happening around us now is that the government is permitting price ceilings to be lifted and washed out entirely, and the price is jumping, as the hon. member for Souris (Mr. Ross) just quoted, as high as eighty per cent on binder twine. We do not know what the new price will be on gasoline, but we know it will not be less; it is going to be more. In the face of that, the government is now put in the position of responsibility of having to do one of two things, either make a real effort to hold prices down—in fact, it would be necessary now to roll them back—or else to increase the benefits the farmer is to receive under this bill. If one of those two things is not done, the farmers have a legitimate complaint and the government will get a rude awakening in a very short period of time.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the amendment which has been moved would have to be changed in its wording, I think, before it

would really mean anything at all in connection with the bill itself. The amendment says that the said bill be not now read the third time but that it be referred back to the committee of the whole for the purpose of reconsidering sections 20, 21 and 22 thereof. There are only six sections of this bill. There are no sections 20, 21 and 22. Therefore there would have to be added to the amendment, in order to make it mean what it is intended to mean, "included in clause 5 thereof". That is, these sections referred to are sections of the wheat board act which are included in clause 5 of this particular bill, and the wording would have to be changed in order to provide for that.

But before the vote is taken, there are a number of things which I should like to say with regard to the discussion which has taken place. We have had a long discussion on the three points which have been raised: the question as to whether we should increase the initial payment; whether the participation for 1945 should be paid out at once rather than be made part of the five-year pool, and, further, whether the government should announce definitely that all the wheat would be taken by July 31, 1950; that is, all the wheat that is presented to the government would be taken or would be paid for at $1.35 a bushel as an initial price.

As I was saying a moment ago, those three questions I think took up most of the time of the discussion in committee. There was very little discussion on anything else. We discussed those questions continuously, first, under section 17 of the wheat board act and, later, under sections 20, 21 and 22 of the act which, as I said a moment ago, are included in clause 5 of this bill. In discussing those matters, I think every point of view which could be expressed in the committee, if it were referred back again, was expressed then; and the committee finally gave its consent to the provisions of those three sections.

I do not know whether I should repeat very much of what was said or of what I myself said on that occasion; but in view of some of the remarks which have been made, I think that certain arguments should be repeated. In the first place, if we were to follow to its logical conclusion the action which is now proposed, and if the bill itself were not acceptable to the government on the terms that are suggested, and the bill were defeated, then of course the whole principle of the bill would be defeated just as effectively on third reading as it would be on second reading; particularly if the bill had gone back to the committee, had been reported again for third reading with terms the same as they are now, and were defeated in the house. If we went on with that to its logical conclusion we would succeed in defeating the principle of the bill and defeating the bill itself.

Those who belong to the official opposition have been insisting, ever since this session opened, that controls should be got rid of. Some have even gone so far as to suggest that it should not be in any orderly manner. Some controls have been got rid of. Some ceilings have been taken off. I should like to suggest that I believe the farm organizations of this country meant what they said when they said they were in favour of stabilization. I believe, too, if we are not satisfied, as farm organizations, to give sufficient time for the carrying out of any orderly changes which must be made in connection with price levels, there is only one thing which can result, and that is that action finally will have to be taken in a disorderly manner.

Just by way of illustration, may I remind hon. members that a week or ten days ago, after strong pressure over a long period of time, action was taken to remove what I think was at least an inconvenience—and perhaps one could use an even stronger term—resulting from the fact that wheat was supplied to the people of this country at a lower price than that at which it was supplied to Britain, and this at the expense of the farmer. Action was taken in regard to that matter, and along with it action was taken which resulted in an increase in the price of feed wheat. This, of course, had two results, one being to give the producer of wheat a higher return, and the other to increase the cost to farmers in certain sections of Canada using that wheat for feed. Immediately exception was taken to the fact that an increased cost had been caused the poultry and egg producers, and it was therefore argued that there should be an increase in the price of eggs. As a matter of fact, a few months earlier the floor price of eggs had been increased by one cent a dozen over about half the year and by two cents a dozen over the other half, while no change was made in the price of feed. That was done by increasing the price under the British agreement by that amount. Now it is argued that when the cost of feed is put up again there must be a further increase in the price of eggs. Probably within certain limits that contention is justifiable, but certainly it is not reasonable to suggest that no consideration whatever should be given the fact that the price of eggs was increased at a time when the price of feed was not increased.

On the other hand, today we had the fact brought up that the ceiling has been raised on binder twine. Some have said this represents an increase of eighty per cent in the price of that commodity. I am not in a position to say just what the increase will be in the price of binder twine, but I know that, with the situation existing in the world in relation to the material from which binder twine is made, if we were to have any binder twine at all some decision with respect to that matter had to be made in March. If we are to have binder twine in July and August to harvest the crops across this country, then a decision in the matter had to be made by March at least, and very early in the month. That is one reason the decision has been made at this time.

For the last two or three weeks hon. members have been quite properly pressing for a statement in the house in regard to the returns that are to be provided, under control, on feed grains. At the time of the conference last December it was suggested that if all the controls relating to food products and feed were to be retained through the crop year 1947-48, a certain procedure should be followed. There are present today a few who were also present at the conference of last December between representatives of the provinces, the farm organizations and the federal Department of Agriculture. They will remember that before Mr. Wesson proceeded to present his idea that an acreage payment of $5 might be made, he asked the definite question of the chair as to whether it was the intention of the government to continue those controls throughout the crop year 1947-48. That question was referred to me, as a member of the government. At that time I stated I was not in a position to say definitely what would be done with regard to prices throughout the year 1947-48, but that if we were to continue to attempt to fulfil our agreements with Great Britain to deliver farm products at the prices set out in those agreements, leaving out the question of quantities altogether, it would be necessary to have some form of control throughout the crop year 1947-48. In the discussions which followed it was stated definitely that the subsidy of $5 per acre would or could be decided upon only if an attempt was to be made to hold prices at the levels then existing, because immediately you allowed them to change, the whole situation would change. So the proposal itself was based upon the idea that price levels were to be maintained.

Since that time, as has been indicated by some of the steps taken, the government has concluded that prices cannot be maintained throughout the whole crop year 1947-48 at the levels in existence at the time those discussions took place; and because they cannot be maintained, certain actions have to be taken from time to time. If we are to handle the situation in an orderly fashion I believe we must expect that those who are presumed to benefit by the controls which are being retained should at least have sufficient patience to permit the action taken to progress to the point where all sides of the question may be examined. In connection with binder twine, I said a moment ago that if we did not act early in March we would not have any binder twine. From remarks which have been made I assume that when the minister this afternoon made the short reply that this question had been given the usual careful consideration before a decision was reached, it was not considered by many hon. members to be a sufficient explanation under the circumstances.

Mr. WRIGHT: Not in view of the manner in which it was said.

Mr. GARDINER: Well, I am simply discussing the facts which I know are apparent to farmers. Every farmer knows that the substance from which binder twine is made must come a great distance, and that there has been some difficulty in obtaining quantities of that material for the purpose of providing binder twine both during and since the war. So action had to be taken early.

Mr. BENTLEY: May I ask if any British companies supply us with large amounts of sisal?

Mr. GARDINER: I am not in a position to answer that question offhand, though perhaps the Minister of Trade and Commerce (Mr. MacKinnon) or the Minister of Finance (Mr. Abbott) might be able to do so. In any event, arrangements have to be made to obtain certain quantities of this material, and whether they are made with the government or with a company they must be made well in advance.

Mr. CASTLEDEN: Is it not true there are large supplies of binder twine already in Canada upon which subsidy has been paid?

Mr. GARDINER: There would be some; I do not know how much. However the figure can be obtained. There would be some here. But whether there is some here, and no matter how much there is here, there will have to be more binder twine supplied before the harvest season.

Mr. CASTLEDEN: The price has been maintained because of the subsidy paid by the government; is that not true?

Mr. GARDINER: Yes, that is right, up to the present time. And I should say that two ministers have said, prior to discussion in committee—and I referred to it while we were in committee—that subsidies were on the way out, and that the tendency was to try to incorporate subsidies into prices; a procedure which I think a great many people would desire to have followed, and to have completed at as early a date as possible.

And in doing that, of course, in connection with farm products movement has to be taken at the time it is wise to do so. Let me go back to the illustration with respect to eggs. We were making our agreement with Great Britain last fall. That was the time we had to consider rising prices of eggs. Then we were considering the matter of giving the farmer of western Canada the treatment to which he was entitled in connection with flour supplied here, and we decided that the time to deal with that was in the latter part of January.

I suppose the two things could have been done at one time, but there are reasons why it was difficult to do them at one time. Probably the proper time to deal with eggs, so far as future treatment is concerned, would be in April or May; and until we have reached that time it is difficult to make changes in the situation which now exists. Those changes will come about in the proper course of events.

The feed grain decision was something I was not able to announce prior to today, and I am sorry to say I am not in a position to announce it today. As I said yesterday, I had hoped I would be able to announce it at the end of the week, and I pointed out that the end of the week was Friday. But I find, after discussion which took place today, that there is a desire on the part of some of those who have to put these changes into effect, to have the week-end in which to discuss them with some of their men, who are in Winnipeg, rather than Ottawa. That is, they are men connected with the wheat board itself. Therefore it may be necessary to hold over the announcement until Monday.

I am sure, however, that if I could make that announcement now, and compare it with what has been done in connection with binder twine, every farmer in this country would agree that far more has been done to increase returns on grain than has been taken from him by anything that has been done in connection with binder twine.

Mr. CASTLEDEN: Does the minister include gasoline and tractor distillate, also?

Mr. GARDINER: One would want to know what will happen in connection with tractor oil and distillate. But I am told this, that at least in some parts of Canada gasoline has not been selling up to the ceiling recently. And if it has not been selling up to the ceiling recently, I do not know any reason why it would sell over the ceiling, at least in those parts of Canada, if the ceiling were taken off.

That is one of the facts which was before the government at the time the matter was discussed; and I venture to say there are many members in the house who will agree that when a shift is being made from one position to another, the time to make it is when it is least likely to impose any additional cost on those who have to buy the commodity.

I know no individual can guess these things accurately, and be able to say that there is no chance in the world of prices going up. I would not attempt to say that at this time. But one has to decide on the time to make these decisions, and to make them in a manner which will at least give the least possibility of costs going where they are not intended to go.

I bring out these facts in order to say this, again, that if we are to be able to hold the line at all, in the stabilization of prices, either by the action of this house or in any other way, then we cannot be changing our minds every few days or every few hours with regard to whether we support the principle behind a piece of legislation, or whether by our action or our words we support the views and the desires of those who are out to kill this legislation, by every means that is available to them to do it. And as regards any means which result in switching this legislation backwards and forwards from this house to a committee, and from the committee to the house, and then over to the senate, and back into the committee, and then out of the committee and into the senate, and then back to this house, with changes made; if this legislation or any other legislation to establish stabilized prices for farmers has to go through all that kind of thing, then I say that there will not be very much in the way of stabilization that will ever get past this parliament.

If we are to establish stabilized prices for farmers at all, then I think we must decide upon the principle we intend to drive for, and then we must continue to drive for it. We should not depart from that principle simply because those who have been fighting the legislation from the beginning, those who have

opposed the wheat agreement from the time it was first announced, now suggest that we should do something about the matter; rather we should continue to support those who have fought for the principle throughout and have attempted to put it on the statute books of this country.

Something was said with regard to the action of Mr. Strachey while he was speaking in the House of Commons in Great Britain, and while he was in Winnipeg. Some suggestion has been made to the effect that Mr. Strachey could not have been right both times. Well, when Mr. Strachey was speaking on the floor of the House of Commons in Great Britain he was answering a general question put to him with regard to food products.

Mr. COLDWELL: Danish, particularly.

Mr. GARDINER: Yes. And in answering that question dealing, as has been suggested, largely with Danish food products, products coming from a country with which considerations such as those existing between Great Britain and Canada have not been entered into at all, he gave a certain answer. But when he was in the city of Winnipeg he was dealing with a specific question, namely the question of wheat, as covered by this bill. And in everything he said at Winnipeg he gave the impression to the people of this country that the undertakings given in the wheat agreement would be carried out in spirit, as well as in the letter. I think we should accept those opinions as those of the minister who signed the contract, or at least was here just prior to its being signed—one of his officials signed it—and the minister who took part in the discussions.

The Winnipeg *Free Press* has been quoted. Well, Mr. Speaker, I have not taken time out during these discussions to say very much about the Winnipeg *Free Press,* because I am not worried at all about whether the *Free Press* wants to put itself in the position of being a local newspaper instead of a national one. If that is what they desire to have themselves considered, then that is quite all right with me. They are speaking, or have been speaking, in connection with this matter, for a group for whom I do not blame them for speaking. That is their own choice. But I have in my hand some articles which appeared in another paper owned and published by the same people in the city of Saskatoon, the *Star-Phoenix.* These four articles deal with the wheat agreement. One could take not only the articles which appeared on the editorial page, but the editorials of the editorial writer who is answering the editor of the Winnipeg *Free Press,* who is also answering the assistant associate editor of the Winnipeg *Free Press,* and answering them most effectively.

Mr. COLDWELL: Who is the author of those articles?

Mr. GARDINER: Mr. Richardson is the editor of the paper, and I have no doubt he takes responsibility for what appears on the editorial page. His name is not on the articles, but he writes the editorials.

Mr. DIEFENBAKER: What is their date?

Mr. GARDINER: The first one is dated January 20, 1947. It reads:

> The Canadian wheat agreement with Great Britain cannot be judged fairly aside from the general trade outlook and the problems of restoring international trade.

And farther down:

> A simple test, which may be applied with profit to other proposals, practices and policies affecting trade, is whether it facilitates or retards the reopening of trade channels that were closed or impaired by the war. One further test might be applied: Does it prejudice the future expansion of international trade? Plainly it does not prejudice the future. Section 7 of the agreement says that "its terms and conditions shall be subject to any modification or amendment which may be necessary to bring it into conformity with any international agreements or arrangements hereafter entered into to which both governments are parties."

Then he goes on:

> The merit of lending funds to overseas customers in order to stimulate our trade requires no explanation. The alternative is to shut down our production to the narrow limits required to export only to those who have Canadian dollars.

He goes on to support that action, and then he says:

> The Canadian wheat agreement has stood the test, as we may now see it in the perspective of several months experience with it. It has given economic and psychological assurance to our best wheat customer.

May I say that the editor of this paper spent a considerable part of the war years in London. He continues:

> Without it, the series of crises which were inevitable in the economic rehabilitation of Britain would have been deepened undoubtedly by an unbearable austerity in the British diet, which has been almost unbearable as it is. Without it, the opportunity of leadership in the economic reconstruction of western Europe, which only Britain can exercise, would have been denied at a time when default could leave only chaos and invite the commercial isolationism which serves as the economic policy of communism. The door was half open, in any case. Discussions of the wheat agreement without taking account of these vital aspects of the world trade situation in the present transition will serve only to obscure the purpose and definition of all our future hopes. The agreement has been a main bridge between two worlds which

can be integrated permanently by the reconstruction of world trading facilities. Without such bridges, even now all talk of an international trade convention would be little more than idle speculation within the rigid walls of an isolated dollar area in which Canada's destiny would steadily darken.

As I say, that is another paper published by the same people who publish the Winnipeg *Free Press*. It gives me the idea that the editorial policy of their papers is the editorial policy of the individual who writes the editorials. That was always so when the late John Dafoe was editor of the Winnipeg *Free Press*. No one during that period of time ever considered that he was expressing the opinions of anyone but John Dafoe. I venture to say that the time will come when no one will consider that this young editor is expressing the opinion of anyone but himself when he is writing views which affect all the people of this country. He goes on to say:

Since the Canadian wheat agreement with Great Britain was announced last July, the main criticisms made against it have become clear. On the one hand, the charge that Canada had broken its pledged word to the United States to work for the removal of discrimination in trade was quickly exploded.

He goes on to answer that charge. May I say again, that the editor of this paper spent the latter part of the war in Britain and that he spent part of it in Washington, and the part which he did not spend in either Washington or London was spent in Ottawa. He has some knowledge as to what these questions mean.

Mr. BLACKMORE: A moment ago the minister spoke of "this young editor." Does he refer to the editor of the Winnipeg *Free Press*?

Mr. GARDINER: No; the editor of the *Star-Phoenix*, Mr. Richardson. He ends with these words:

It is now said in Britain that the worst is over, though it is not all fine sailing yet. The Canadian wheat agreement has made an incalculable contribution to this result, which is in Canada's own best interests as a wheat exporter. It is serving to bridge the transition. It has stimulated the revival of world trade under new and strange conditions. Even more happily, it has brought us nearer the goal which we will reach only by going forward with the Americans and the British into an era of freer trade.

That sums up the opinion which the writer of the articles in the *Star-Phoenix* has with regard to the Winnipeg *Free Press*. This man writing in the *Star-Phoenix* takes the view that the opinions held by the Winnipeg *Free Press* are not correct. He has the courage to state what his views are with regard to the matter.

At six o'clock the house took recess.

[Mr. Gardiner.]

After Recess

The house resumed at eight o'clock.

Mr. GARDINER: Before the house took recess, I was placing on *Hansard* the opinion of the Saskatoon *Star-Phoenix* on the wheat agreement, as expressed in four articles appearing on the editorial page of that paper. I had quoted from the first two articles and I shall now proceed to quote from the last two. The third article which was published on January 22, under the title, "The Wheat Agreement No. 3," opens with these words:

A newspaper of considerable influence which often attracts substantial support to its views, the Winnipeg *Free Press*, does not like the Canadian wheat agreement with Great Britain. It is waging a campaign against the agreement in splendid isolation.

The article goes on to say:

The *Free Press* recently offered the assurance of a special correspondent in Washington that "the United States government regards the Canadian-British wheat deal as prejudicial to the whole project of restoring maximum multilateral trade throughout the world." This correspondent evidently reads the omens of the brave new world under the desk in President Truman's study. He finds that Canada has "handed a convenient weapon" to American protectionists who, we judge, are so barren of plans to frustrate the brave new world that they have had to wait until they could draw an example of wickedness from their Canadian neighbours.

The article continues:

The spine-chilling repercussions of the wheat deal, as seen from beneath Mr. Truman's desk, are products of the imagination. The central problem of world trade is not to bolster American capacity to buy abroad, which is already an embarrassment; but to bolster the power of Britain and almost every other country in the world to purchase in the United States.

The British viewpoint on the wheat agreement is common sense; it is that the agreement assures Britain of a basic food supply during a difficult period in which Britain's stock of American dollars, is required to buy essential equipment for coal mines, cotton mills and such enterprises on which British recovery depends.

The writer goes on to argue the opposite side of the question to the Winnipeg *Free Press*. Then the last of the four articles has this to say:

While prairie production is becoming more diversified, the price of wheat is still the governing factor in prosperity. The foundation of exceeding good times in prairie Canada is the domestic guarantee of $1.35 a bushel for No. 1 northern wheat at Fort William for five crops from 1945 to 1949 inclusive. This, in turn, is closely related to the Canadian wheat agreement with Great Britain to sell 600,000,000 bushels in the four years after August 1, 1946.

The editorial writer then asks this question:

Is there a world price for wheat?

He says this with regard to it:

Export demand for wheat and other commodities is largely a demand created by dollar loans furnished by the United States and Canada to Britain and other buying countries. Without these loans we would have few overseas customers with dollars to pay a higher price for wheat. Still some people think we should charge all the traffic will bear. This rugged and destructive policy, like compelling a convalescent patient to run a foot race, might destroy the chance of reestablishing overseas markets for wheat. We would, as the saying is, make a killing. It would be in more ways than one, none of them to our advantage in the long run.

He then goes on to say:

That world depression starts in agricultural commodities is, unhappily, the bitter truth of history. To recapitulate: the wheat agreement serves the present transition and it closes no doors upon the new freedom of trade. The so-called "free" or world price of wheat is a fiction, having no genuine world market behind. The institutions of freer trade are being created, and it is not too soon to consider the probable situation when the wheat contract ends. On the one hand, the world scarcity of dollars may be rectified by the international programme of credit, currency and commerce now under way. On the other hand we may be opened to an international agreement that would provide regulation without restriction to assist an expanding world demand for cereals. Meanwhile, the prosperity of western Canada is so closely linked with the wheat agreement that it deserves our best effort to understand how it offers a course through a chaotic postwar world, and how it links our major export industry with the promise of an expanding future.

I again submit, Mr. Speaker, that we have there the answer of one of the Sifton-owned papers in western Canada to another of the Sifton-owned papers in western Canada; and in order to complete the argument, I would read into *Hansard* an editorial published in the Saskatoon *Star-Phoenix* under date of March 7, 1947. It is headed "The Big Breeze." It reads:

Wheat farmers in the west will be interested to appraise the kind of campaign being carried on against the wheat board policy of the federal government in other parts of Canada. It seems that the policy of establishing a five-year pool of Canadian wheat under the administration of the wheat board "threatens to touch off the biggest political time-bomb since conscription. It may not explode until the next election; but sooner or later it may blow hundreds of thousands of western farm votes in one direction or another; may even unseat the King government between now and 1950."

Then the writer goes on to say with regard to that quotation:

So writes Mr. Kenneth R. Wilson, the Ottawa correspondent of the *Financial Post* in Toronto. The idea that thousands of western farm votes are wavering one way or another over the government's wheat policy is one of the strangest phantasies of current politics. One reads on to discover who is going to benefit from this sensational course of self-destruction on which the government has embarked. The C.C.F.? No. The *Financial Post* may spare its shudders. The P.C.'s? You guessed it. Mr. Bracken is leading "the immediate struggle." His political future "may be more closely tied to this piece of legislation than to anything else."

As Mr. Wilson waits in Ottawa for the big breeze that is going to blow the federal government to pieces and launch Mr. Bracken as the saviour of the wheat farmers, we are content to observe that the latter's prospects are dim indeed in the west. Our guess is that he has picked the wrong horse, just like the Winnipeg *Free Press*. Want to make a bet, Kenneth?

That is the opinion of one of the Sifton papers with regard to the wheat agreement, and I would prophesy that it is the opinion that will prevail in western Canada in spite of what the Winnipeg *Free Press* says, or in spite of what the leader of the Conservative party says on the floor of the house.

The arguments which are presented there are very much along the same line as, although very much more expressive than, those which have been used on the floor of the house by speakers on this side to indicate that we are in the midst of a battle with regard to a group of policies. The leader of the opposition this afternoon did not content himself with dealing with the wheat agreement. He said we may have later today another set of agreements presented to this house in the form of another piece of legislation to be handled by the Minister of Agriculture, which deals with the sale of other farm commodities to Britain. What I want to say tonight with regard to the sale of farm products is this. The Canadian farmer, in so far as he produces surpluses, has one good market in the world and only one, namely the British market. We have had some experience in the selling of farm products in other markets of the world during other times and even during recent years. The present position is that this country has in the United Kingdom a market for all our surplus farm commodities, with the exception of our surplus wheat. That is one product all of which we cannot sell in Great Britain. We are growing more than she requires even if she were prepared to take all the wheat we could offer. But so far as cheese, milk, bacon, ham and eggs are concerned, and even so far as beef is concerned, Britain is prepared to take all the surplus that the Canadian farmer has to sell, and to pay us a reasonable price for them.

I say tonight that, in the discussions we have had with Britain, Britain has not tried to beat the Canadian farmer down in price. Britain has at no time contended that she should get our food products at low prices

Britain has always agreed that over a period of time our prices should be stabilized in a reasonable relationship to the prices which the farmers receive for food to be consumed in Britain off the farms of Britain, and I am confident that, as we go along, the answer to the question asked by the leader of the opposition with regard to 1948 will be made apparent to everyone in this house.

The leader of the opposition asked, what is the government to ask for in 1948; what is the government to ask for in 1949. Hon. members know what has been stated on previous occasions, namely that the British have agreed that there shall be no ceiling on what we may ask for in the last two years; and the fact that there is no ceiling on what we may ask for in those last two years should be an answer to the question that has been posed: Are you going to ask as much as the world market offers at that time for wheat? Obviously, if the world market remains as high as it is now, which very few expect, there will be no reason for asking less than the world price in the third year of the contract. If the world price is lower than $1.55, obviously there will be reason for asking a higher price than the world price is at that time. The question as to how much will be obtained as a result of what is asked is something no one in this house can answer at the present time. We simply rely on the fact that in all dealings we have had with Britain throughout the war, prior to the war, and since the war, the indications have been that we can depend upon the letter and spirit of the agreement that we have with them, not only with regard to wheat but as respects other products.

Mr. SPEAKER: I am sorry to interrupt the right hon. gentleman but his time has expired.

Mr. COLDWELL: This is an important matter, Mr. Speaker, and the minister should be allowed to proceed.

Mr. GARDINER: I have no desire to continue if my time is up. At any rate, there is only one further argument that I care to make on the subject. An appeal has been made for a statement of the position in relation to payments which are already made and which are to be made on the different years, and the suggestion has been made that there was an understanding with the farmers that participation would be paid annually throughout the period. I am not going to argue the question again as to whether the period was intended to be five years or four years. I think it is well understood by every farm organization in Canada and all leaders of farm organizations, and by everyone else who has ever discussed the matter, that the five-year period existed before the British wheat contract existed at all. It was suggested this afternoon that, after the wheat contract had been entered into, the decision was reached to make the term a five-year one. The five-year term was presented in this house in September, 1945, and it always was a five-year term. There never was any suggestion that it be otherwise until all the terms of the British agreement were known; and then, as I stated the other night, that suggestion in the first instance came from the government and not from farm organizations. But after the discussion was completed, it was concluded that the 1945 crop would be retained in the pool.

I said something the other day which apparently did not register with the committee, when we were discussing this same question in committee. I stated that I did not see how this or any other government could retain in the treasury of Canada two or three hundred million dollars which belonged to some group of citizens in this country, mentioning particularly the farmers. If we had in the treasury of Canada in, let us say, 1948, as a result of the fact that prices remained high, two, three or four hundred million dollars, no government in Canada could carry that money through until the end of the contract. There would be a constant demand for the money to be paid out to the people to whom it belonged, and there would be an inclination on the part of any government that was in office under those circumstances to make an interim payment, just as an interim payment was made under similar circumstances when the wheat pools were in existence. But to say at this stage that, no matter what happens to be in the treasury, interim payment will be made, would be to take an impossible position in relation to the whole matter.

Mr. WRIGHT: Will the minister state that he will not make that payment before an election?

Mr. GARDINER: Of course, if my hon. friends all get together some time, they can determine that payment is not made until after an election. I should like to suggest that if they want an election on an issue of that kind, it is not a bad thing from our point of view to have it on.

Mr. ROSS (Souris): The Minister of Agriculture had one try-out on it.

Mr. GARDINER: No, we did not have a try-out on it.

Mr. MACKENZIE: The hon. member had a try-out last night.

Mr. GARDINER: May I suggest to members of the house that when the hon. gentleman who was fortunate enough to win that election to which reference is made, came into this house and made his first speech, he did not even mention the British wheat contract. He knew what he won the election on. I, too, know what he won the election on. He is too good a campaigner to think he won the election on the British wheat contract or anything related to it.

Mr. SMITH (Calgary West): How much money have you? That is a simple question.

Mr. GARDINER: I shall leave it to the Minister of Trade and Commerce (Mr. MacKinnon), whose bill this is, to state how much we have.

Mr. SMITH (Calgary West): Will he do that?

Mr. GARDINER: Yes, he will state how much we have. But what I want to point out to members of the house is this. If we had a large amount, no government could retain it in the treasury. It would require to be paid out as we went along. But if we were down in the position where there was some question as to whether we were going to take losses, then it would be absolutely impossible to make a payment. I think it would be inadvisable to make a payment from the point of view of the farmer himself, and the farmer would realize that.

Coming to the question which was in the mind of the leader of the opposition this afternoon and apparently is still in the mind of the hon. member for Calgary West (Mr. Smith), as to how much money we have, all I am going to say at this moment is that when the Minister of Trade and Commerce gives the amount I venture to say that every member of this house will be surprised at how small it is, not at how big it is. The payment of ten cents a bushel, which is already paid on 1945 or is being paid, reduces the amount to a figure which I think will be found by this house to be surprisingly low. I am not going to attempt to give that offhand. It is on record and will be given a little later.

Mr. SMITH (Calgary West): Oh, come on; tell us.

Mr. GARDINER: The position in relation to the matter and in relation to the whole principle underlying not only this bill but the other agreements which will come down under the farm products bill, is being battled in Canada at the present time. The battle against that principle is being led, naturally, by the leader of the opposition in this house. Those who support the opposite view with regard to this principle will, of course, vote against a measure of this kind or will vote against the agreements that are covered in the other bill. But I venture to say that when the vote is taken—as it will be shortly—on this question, it will again be found that the government has the support of the majority of the members upon the policy which is now before the house.

The vote on the third reading is just as much a vote for or against the policy or principle of a bill as the vote on the second reading. I venture to say that the whole principle of this bill is bound up in the three sections which we are being asked to refer back to the committee. While there may be some things that individual members disagree about with regard to the details of what is contained in those sections, I am quite satisfied that a vote for the third reading of the bill at this time will strengthen the idea in the minds of the people of Canada that this principle of stabilizing prices for farmers at a reasonable level, with a guarantee that any profit which is made over and above that reasonable level will be turned over to the farmer in due course, is a principle which the farmers of this country desire to have and which this house ought to express itself decisively upon.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I am quite sure that everybody in this house knows perfectly well where this party stands regarding matters of this description. I do not think I need reiterate what we have so often said in this house, that we desire to see proper, orderly marketing and proper price stability at a proper level for the producers of this country. We do not wish to go back again to the days before the war, when prices went sky-high, as they did some years ago, and which were followed by a period of low prices when, as the British minister of food put it the other day, wheat was the value of chaff. However I must say this. When the British agreement which is connected with this bill was before the house last August, we made it perfectly clear that our support for that agreement and the method adopted by the government to implement the agreement through the wheat board was in no small measure connected with a continuance of the

policy of the government as it was being carried out regarding controls and price ceilings. In the past six months costs of production have risen and the cost of living has risen. In the month of January of this year, according to the index—which of course does not comprise a very wide field of commodities—the cost of living increase was eight-tenths of one per cent in one month; or, put on the basis of the year, approximately 9½ per cent for one month. If the government removes controls and lifts price ceilings to the extent that the cost of living rises and costs of production rise, then of course the basis of the British wheat agreement and the payments that are now being made to our farming community are neither fair nor just.

I would remind the Minister of Agriculture (Mr. Gardiner) that on August 15 last, speaking on the British wheat agreements, as reported at page 4825 of *Hansard* for that day, I said:

> . . . at the present time the wheat agreement calls for the payment of $1.55 a bushel for the wheat that is sold to Britain, and I believe that is nearer what we sometimes call a parity price. I believe the government would be well advised to consider the suggestion that, in the event of the costs of production rising for the next few years, as they will do largely because of the government's failure to maintain the ceilings, any difference there may be between what the farmer receives for his wheat and the increased costs of production should be made up out of the consolidated revenue fund of Canada.

Not even out of the five-year pool that was being established. I went on to develop that a little, and the Minister of Agriculture admitted in reply that at that time—and I use his own words—parity would probably be about $1.41 or $1.42, and that the farmers' organizations had argued for $1.40 as the basic price. Then there was some discussion between the leader of the opposition (Mr. Bracken), the Minister of Agriculture and myself, and the minister went on to say, dealing with the matter of the compensatory fund which I had suggested:

> What I want to point out is that under the floor price measure—that is not the proper name, but it will do—we stated to the house that $200,000,000 was being provided for the purpose of taking care of any adjustments in connection with what might be known as parity on other farm products. At the same time we stated to the house that similar arrangements would be made if necessary, through the wheat board, in connection with grain.

The point I am making is that if the government allows price ceilings to be lifted and costs of production to rise as they have risen, then it is the obligation of the government to provide compensation to the farmers who have accepted this wheat agreement and the prices that go with it. I know the minister is perfectly correct when he says that in this country at the present time there is a group of people who want to upset this wheat agreement and every other agreement of this description because they have an economic interest in doing so. I have stated several times in this house that I believe the policy of the government in regard to stabilized prices and negotiated agreements, under the conditions that exist at the present time, is the best policy for Canada and the farmers of Canada. No one who attended the food and agriculture meeting at Copenhagen—I did not attend, but I have read the record of proceedings—or who sat in, as I did, at commission No. 2 of the united nations organization and heard the discussion regarding food, can be under any illusion for a moment but that this is the only kind of agreement which at this moment will adequately protect the producers of this country. *The Monetary Times* makes it very clear that this campaign is being carried on. If you look at the issue for February, 1947, under the heading, "Wheat Agreement," on page 42 you will find:

> Speaking of the west recalls the wheat agreement with the U.K. Usually, after an arrangement like this is sanctioned by parliament for a term of years, the opposition lets up and those protesting become resigned to "taking" it. Not so in this case. The opposition of the grain trade is as tenacious today as if the agreement were before parliament. The opposition of the Progressive Conservative leader, Mr. Bracken, is equally so.

That is quite true. We are interested in one point especially in particular regarding this agreement. When this bill was before the house and in committee, on numerous occasions my colleagues raised this point, and I myself raised it just before the vote was taken, that I did not think it was proper or is proper to put the proceeds of the 1945 crop into this pool. That is the main point at issue, which we feel needs to be dealt with by the government. We realize what the minister says, that if a very large accumulation of funds is to be found in this pool within the next two or three years, no government in Canada could hold back those funds from the real owners, but I suggest that the 1945 crop payment should not have been connected with the British agreement. If we could get a satisfactory promise that this matter would be reconsidered we have otherwise very little criticism of the bill, though, as I have indicated in what I have said already, we would have liked to see the initial payment higher because of the increased costs of production.

Even in this connection a doubt has been raised in the minds of farmers. Within the

last week I have received one or two letters, one in particular, suggesting that before we support this agreement we should secure a pledge from the government that every dollar in that fund will be distributed to the farmers in 1950. I have taken it upon myself to write back and say I am convinced that no government could withhold money which was properly due the producers of this country. That formed a part of the agreement, and is written into the statutes of this country.

I do not want, nor as you may well understand, Mr. Speaker, do my colleagues want to jeopardize this bill. Certainly we do not want to play into the hands of the people who, for economic reasons, are desirous of destroying this measure which is so important to western Canada. I have lived in the west long enough to recollect the struggle which has gone on since 1919 for the establishment of a wheat board. Election after election was fought in western Canada on that issue; in 1921, 1925, 1926, 1930 and even 1935. In each of those elections the wheat board method of marketing figured, and I am convinced that the people who sent us here want this legislation. They do not like some features of it. We do not like some features of it, but if the administration would indicate rather more clearly than they have the situation regarding the 1945 crop and, if possible, pay the participation certificates on that crop year, to a large extent they would satisfy the farmers.

Mr. GARDINER: If I may say a word, the position is that the 1943 payments are not quite out. The 1944 payments will start shortly, as the minister will indicate. It would be a physical impossibility to begin to make the 1945 payments earlier than late in 1948. The question is, how much advantage is to be gained; and when hon. members see the figure as to what the amount is, I think they will pretty well agree that is not an important factor.

Mr. COLDWELL: When I hear the figure as to what the amount is, it may make a difference. I want it to be clearly understood that we are not opposing this measure, that indeed we are firmly in support of the principle of this bill. We are merely trying to emphasize the point of view we expressed when this legislation was in committee. We want, however, to see this system of orderly marketing not only carried into wheat but, as we said when this was being discussed, into coarse grains as well. When the bill following this one comes in, dealing with commodity marketing, we hope we may not only be able to give it our support but be able to suggest that it be strengthened and extended in scope and time as we would like to see it extended.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, I had not intended to speak again in this debate, but in view of some of the statements made by the Minister of Agriculture (Mr. Gardiner) I feel obliged to make a few comments.

The minister has suggested that if those who believe in the wheat board start pushing a measure of this kind around it may have a disastrous effect on the legislation. We appreciate that fact. But I assure the minister that we do not like being put in a position where we have to criticize a measure of this kind for this group has time and again made it perfectly clear that they believe in the principle of the wheat board taking delivery of all the wheat produced and also in the principle of a long-term international agreement on wheat. But just because we believe in that, we cannot be put in the position of having to remain silent when we consider that certain injustices are included in the bill. We dealt with those injustices when the bill was in committee.

There are three things to which the Minister of Agriculture referred. First of all, we believe that the year 1945 should be taken out of the pool altogether; second, we believe that the price of $1.35 should be raised to $1.55, and, third, we believe that the government should definitely commit itself to buy all the wheat produced within the pool period at the designated price, whether it be $1.35 or raised to $1.55. When discussing in committee whether it would be possible to invest these moneys in securities the Minister of Justice (Mr. Ilsley) said:

> I do not know whether I should get into this controversy too deeply because no doubt this matter has been debated a great deal. The principles of this contract are, I think, these: for the protection of floors throughout the later years of the contract, the part of the contract beyond the period we can foresee; for the protection of the United Kingdom government's agreement to have regard to the fact that in the early years of the contract less than world market prices were paid; in return for the protection of those two factors the farmer is accepting less in the earlier year or years of the contract than the world market price.

The Minister of Justice did not seem to know whether it would be possible to make a payment. Now the Minister of Agriculture says that he cannot possibly visualize a situation where a surplus would be allowed to accrue and remain unpaid. The Minister of Justice refused to state whether the payment would be made. He could not say that it

would be paid because the surplus might be required to meet losses in the latter part of the agreement.

Just what is likely to be the situation in the latter part of the agreement? The Minister of Justice states that there may be a very large crop and very low prices and that therefore the surplus may be required to meet the losses. But what is the price that we are to get in the latter stage of the agreement? The agreement calls for $1.25 and then for $1.

The Minister of Agriculture has stated it is unthinkable that the United Kingdom will not carry out her part of the bargain; that is to say, that when arriving at a price at that stage they will take into consideration the fact that we were willing to let the United Kingdom have our wheat in the earlier stage of the agreement at prices considerably below the market price. But we have no guarantee that the present government in the United Kingdom will be in power then. Public opinion in Great Britain is being aroused to such an extent against this agreement that it is very hard for us to say what might happen. I mention that because in the mail yesterday I received a pamphlet, as no doubt other hon. members did, from Britain. It shows the kind of propaganda which is being carried on there against this agreement, and it makes one wonder what the attitude of the British people will be two or three years from now on this wheat question. One of the people connected with this pamphlet is a prominent Canadian who has played a big part in the marketing of wheat from this country. First, I quote from the last part of the article to show the man to whom I am referring to. The article is headed "The Wheat Racket". It is published in the *Liberator Council,* a monthly publication. I quote from the end of the article:

> We are fortunate in having as a member of the Liberator Council a gentleman whose name is widely known in the international grain trade of pre-war days. He has had 40 years' experience of that trade, and for a number of years was the official London representative of the Canadian wheat pools, when they were selling wheat at half the present inflated price. He writes that the world wheat situation is now on the easy side since the Canadian crop started moving freely in November, and says: "There is every possibility, with urgent needs satisfied, of a world glut in the late spring or early summer of 1947, when Australia and Argentine crops, moving in December, will be in free competition with the U.S.A.

I have quoted from the last of the article to show the individual connected with this organization.

Mr. GARDINER: I have not heard the name of the individual, but I venture to say from the description that it is clear to whom the hon. gentleman points. I think it was the individual who proposed the floor prices that are now in this contract.

Mr. QUELCH: I have not the slightest idea who he is.

Mr. GARDINER: I have a pretty good idea.

Mr. QUELCH: I think the minister might do well to give us his name. I should like to know who it was.

Mr. GARDINER: The individual who suggested the floor prices in the agreement for the last two years was Mr. James Rank, one of the chief milling industry men in Britain. He bought all the wheat for the Conservative government there when they were in power and I think he is still buying wheat for the present government.

Mr. QUELCH: Was he the selling agent for the pools in this period?

Mr. GARDINER: He was the man who proposed the floors in the last two years. He is one of the outstanding supporters of the other party, not the party in power in Britain now. But I do not think there is any danger of any government in Britain going back on a contract made by another British government.

Mr. QUELCH: It makes this article all the worse if that type of individual is connected with the organization that wrote this article.

Mr. GARDINER: He is not connected with this organization. He is buying wheat for the British government because he knows how to buy wheat.

Mr. QUELCH: I was hoping to hear that he was an irresponsible individual, but apparently he is not, and he is a member of this organization. I have quoted from the article to emphasize that if that type of propaganda is continued it will be very hard for any British government to pay us a high price for our wheat in the latter stage of the agreement if the world price should fall to sixty-five cents as it did in 1921. I quote further from this article "The Wheat Racket":

> It is well worth considering a few comparative figures when trying to see through the fog of false and contradictory statements that arise on all sides.
>
> Before the war the average cost of Canadian wheat, on rail, was 80 cents per bushel.
>
> In the depression of the 1930's it fell to between 30 cents and 40 cents per bushel, on rail.
>
> In September, 1939, a few days before the outbreak of war, it was selling at 55½ cents per bushel, including shipping to England.
>
> Now this country has signed an agreement with Canada to take approximately two-thirds of her wheat over a period of years, at the all-in

high price of $1.55 per bushel, with freight and insurance additional. It is estimated by experts, that after allowing for increased costs of production this figure will give the Canadian farmer the nice profit of over 50 per cent.

What is not generally known in this country, because it has not been publicized in the British press, is that in December, 1945, a conference of Canadian farmers was convened in Ottawa, at which Mr. Gardiner, Minister of Agriculture, stated that wheat acreages must be reduced, in order to maintain the artificially high prices. In other words, the Canadian government is guilty of perpetrating the scandal of planned scarcity of wheat—the old, old tale. To give actual figures, the wheat area for 1946 was fixed at 23,400,000 acres, as against an average of 25,600,000 acres, a purposeful reduction of ten per cent.

The whole article goes along in the same vein and I shall not read it all, but it continues later on:

Had the government told the people of this country the truth in December, 1945, that the Ottawa agricultural conference accepted a reduction of 1,200,000 acres in the Canadian wheat growing areas, in order to keep up high prices, and that bread in Great Britain would be rationed and impoverished as a consequence, there would have been such an outcry as would have sent the government hurtling to an inevitable crash, for even eighty per cent of its own M.P.'s have been kept in purposeful ignorance of the real facts.

The minister must agree that if that kind of false propaganda—I can only call it absolutely false—is circulated throughout England and a new government comes into power, it may be very hard for any government to maintain a price considerably above the world market price when the people have been told that there was a deliberate curtailment of acreage in order to maintain the price above the market level.

Mr. GARDINER: Having heard the article read, may I say that in mentioning the name of the person who had suggested the idea of floor prices for the last two years under the wheat contract, my idea was to emphasize the fact that both those who support the present government and those who supported the last government were in on the discussions, first under the first government and then later under this government. They expressed agreement with the principles underlying this agreement. Having heard what was said by some individual, I would say that Rank was not the individual.

Mr. QUELCH: I should like to quote this again:

We are fortunate in having as a member of the liberator council a gentleman whose name is widely known in the international grain trade of pre-war days.

The liberator council there referred to is the organization that is circulating this pamphlet.

He has had forty years' experience of that trade, and for a number of years was the official London representative of the Canadian wheat pools.

It does not say that he wrote this article, but it says more or less that he is a member of the organization circulating the pamphlet.

Mr. GARDINER: That is a different gentleman.

Mr. COLDWELL: Who are the people who signed it? Does it give any names?

Mr. QUELCH: There is Sir Charles Morgan-Webb.

An hon. MEMBER: Who is he?

Mr. QUELCH: Probably the Minister of Finance (Mr. Abbott) knows who he is.

Mr. MITCHELL: It sounds like a fortune-teller.

Mr. QUELCH: I do not think the Minister of Labour had better betray his ignorance by making a statement of that kind. Then there is Mr. William Brown, Mr. G. H. Stock and Mr. Eric Troward. I think Sir Charles Morgan-Webb is fairly well known and it is absurd of the Minister of Labour to refer to him as a fortune-teller. I read that to point out the difficult position any government in England is bound to be in if that kind of propaganda is circulated now and the people of Britain told that they are having to pay us fifty per cent more than they should for our wheat when actually we are under-selling the world market by more than fifty per cent. How much more difficult will it be for us to obtain from Great Britain a price that is fifty per cent above the world market price, as may be the case in 1948 or 1949 should the world market price of wheat fall to seventy-five cents a bushel and we are to get $1.25. Then take into consideration the fact that we are taking less than the market price now. What will the reaction be at that time if this kind of propaganda is going on now when we are making a sacrifice of from seventy-five cents to ninety cents a bushel? The minister must realize the difficulty the government will be in.

In view of the fact that our farmers are making considerable sacrifice, the least thing the government can do is to guarantee to them that it will buy at the stipulated price all the wheat produced during the pool period. Surely it is not asking the government to go very far to do such a thing. The other day the Minister of Trade and Commerce (Mr. MacKinnon) accused me of not having faith

in the government in this matter, but I say that he is not being fair with the people. The Minister of Agriculture says to wait until 1950, and I think the Minister of Trade and Commerce suggested that we can wait until 1950 to decide this question, but the farmers are now being asked to go into an agreement and to make a sacrifice in the first part of that agreement, in return for which they are to get a certain guarantee during the latter part.

What right has the Minister of Trade and Commerce or the Minister of Agriculture to suggest that the farmers should have to wait until 1950 to know what they will get in return for making a sacrifice today? They should know that now. They should be told definitely that the government will take all wheat, not merely the wheat they will have room for. The Minister of Justice (Mr. Ilsley) said that there might be a tremendous crop in 1949, with consequent low prices. If that is the situation, then in all probability the elevators will be plugged and the farmers will not be able to deliver their wheat. That is the time they will need a guarantee.

When you talk about faith I think the very least the government can do is to keep faith with the farmers and make that unconditional guarantee that it will take all the wheat produced during that period. The fact that the government refuses to give that understanding can only give the farmers the idea that it does not intend to keep faith with them.

On behalf of our group, I wish to say that we believe in the wheat board. We want to support it. However we feel obliged to support the amendment to refer this bill back unless we have a definite guarantee from the government that it will buy all the wheat produced within that period of time.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I do not intend to follow the various arguments that have been advanced here this afternoon and evening, but I do intend to try to return the mind of the house to the subject matter of the amendment moved by the leader of the opposition (Mr. Bracken). The amendment is:

> That the said bill be not now read the third time, but that it be referred back to the committee of the whole for the purpose of reconsidering sections 20, 21 and 22 thereof.

Those three sections deal with the questions of the pool period and the holding of surplus moneys secured or earned during the five-year period. As was explained by the leader of the opposition, the purpose of the amendment is to make provision by statute and not by political promise for the payment of participation certificates for the crop year 1945-46. That is the purpose of this amendment which represents the demands of farmers all over western Canada. That is admitted by the hon. member for Rosetown-Biggar (Mr. Coldwell) when he said that there was only the one point at issue, that, that they believe that the 1945 crop should not be put in the pool.

There have been many matters raised and smoke-screens produced; but, to come back to the amendment, let it be perfectly clear that reconsideration by the committee is for one purpose only, to assure the farmers and producers throughout this country that they shall in fact have carried out by the government the promise, whether made directly or not, certainly the contract promised that they should be entitled to secure whatever is earned on the 1945 crop. So far as this amendment is concerned, every hon. member who votes against it votes in favour of refusing to the farmers of this country, as soon as the necessary financial computations have been made, the right to participation certificates for the 1945 crop. There is the issue; there is no other. It is not a question of defeating any act; it is not a question of holding up any act. The smoke-screen that is raised is the usual one; it is that of always ascribing motives to those who are desirous of assuring that in this case the farmer shall receive what is his due instead of it being left to a nebulous promise which may or may not be carried out.

There is no denial by the Minister of Agriculture (Mr. Gardiner) that the farmers demand this. There is no denial that, as recently as the end of February, in its submission to the government the federation of agriculture used these words:

> We protest the action of the government in not retiring participation certificates on wheat delivered to the Canadian wheat board during the crop year 1945-46. We cannot but regard the withholding of these payments as contrary to the understanding which wheat growers had with the government during the whole of that crop year.

There is the essence of this motion, namely, to carry into effect what the federation of agriculture has asked for and what farmers everywhere are demanding. What is the government's attitude? We have not had any reply yet from the Minister of Trade and Commerce (Mr. MacKinnon). He is persistently silent when it comes to answering questions.

Mr. MacKINNON: I will answer them pretty soon.

Mr. DIEFENBAKER: At last he is being pried loose and will be answering questions asked the other day by the leader of the opposition and repeated today. How much is there to the credit of the 1944 and 1945 crop years? How much interest is paid in respect of the surpluses held? These are questions which were asked ten days ago. These are questions that as yet remain unanswered and would have remained unanswered but for the fact that today the leader of the opposition moved this amendment.

I ask my hon. friends to the left, did they not suggest this afternoon, and during the debate the payment of participation certificates on the 1945 crop? They are given the opportunity to vote in favour of what they contended for. What is the reply of the government? The government produces a bill which will become a statute and which will deny the payment of participation certificates during the five-year period, on the 1945 crop. This is one of these bills, sir, which when it becomes law, cannot be amended by order in council with the facility with which statutes were amended during the period of the War Measures Act and the National Emergency Transitional Powers Act, because the other day the Minister of Justice (Mr. Ilsley) said that, so far as this bill is concerned, it does not derive its powers from the National Emergency Transitional Powers Act. That being so, no order in council can be made in 1948 which will make provision for payment of participation certificates on the 1945 crop.

Mr. GARDINER: The house will be meeting.

Mr. DIEFENBAKER: The house is meeting now; and if the government intends to carry out the political promise, if I may call it that, which was made by the Minister of Agriculture, let us do it tonight so that the farmers will know what they are to get. I remember promises regarding the payment of participation certificates which were made before—

An hon. MEMBER: R. B.

Mr. ROSS (Souris): Not in 1939.

Mr. DIEFENBAKER: There were no participation certificates at any time under R.B. because the act did not come into effect until 1935.

Mr. MACKENZIE: There were a lot of other promises.

Mr. KNOWLES: There was a depression then.

Mr. DIEFENBAKER: I remember the Minister of Agriculture in the campaign of 1940 promising the farmers of western Canada how much they would get on the 1938 and 1939 crops in participation certificates. It started at nine cents; the farther west he went, the larger it got. When he finally got to Calgary, was it not fifteen cents that he promised, and the farmers got nothing?

Mr. GARDINER: That is not correct.

Mr. DIEFENBAKER: That was the promise, but—

Mr. GARDINER: The farmers did get something.

Mr. ROSS (Souris): Misquoted again.

Mr. GARDINER: That is not correct. It is a misquotation on the part of my hon. friend.

Mr. DIEFENBAKER: Ask the farmers what they got and the degree to which the promise was carried out.

Mr. GARDINER: They know what they got.

Mr. DIEFENBAKER: They certainly do know what they got; they got a promise which was not carried out.

Mr. GARDINER: They got $60 million covering three years.

Mr. DIEFENBAKER: What we are asking is the payment of these participation certificates. The government did not even consider the payment of the participation certificates on the 1945 crop until the leader of the opposition made this motion. They did not consider it in any way. They were going to refuse it. We on this side of the house, and we were joined by hon. members to our left, all on this side of the house demanded this thing. Now we have an opportunity of getting what we have all spoken in favour of. The only answer the government has is this: Just leave this thing alone; pass the bill as it is with no such provision, and next year maybe we shall come back and we may amend it to provide for the payment of the participation certificates on the 1945 crop. This is the appointed time, tonight, not next year.

Mr. MACKENZIE: I thought it was last night.

Mr. DIEFENBAKER: Yes, it was last night, but we did not have the opportunity last night; we have the opportunity tonight.

Mr. MACKENZIE: You tried hard.

Mr. DIEFENBAKER: Now is the time for those who averred their belief in the necessity of the farmers receiving what is fair, in the interests of the demands of the federation of

agriculture, to vote in favour of this motion. In no way does it defeat the bill in the slightest; in no way does it interfere with it. All it does is to assure that justice will be done to those who have the right to ask us who represent them in parliament to see that justice shall be done.

The suggestion that by voting for this amendment you vote against the principle of the bill is entirely removed from the facts. The principle has been established. This is but one item; this is but one clause. Instead of postponing the matter for one or more years hence, I suggest that we complete this matter tonight.

I am glad that we are to get some information tonight from the Minister of Trade and Commerce (Mr. MacKinnon) in reference to the amount of money on hand to the credit of the farmers, because up to the present, so far as the wheat board is concerned, it has shown a cavalier disregard of the rights of parliament. We have never been able to get any information. The attitude has been the attitude of the government under order in council denying the farmers of western Canada the right to an accounting of the moneys that rightfully belong to them.

I am not going to say any more on this occasion. I return to what I started with. This amendment is definite and to the point. It covers three paragraphs which have to do with the mechanics of operation, payment of participation certificates and the like, and it will give hon. members an opportunity of carrying out the wishes of Canadian agriculture and its representative, the federation of agriculture.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The leader of the opposition (Mr. Bracken), in the course of a speech earlier in this debate, asked a number of questions, some of which were answered at the time, and others of which were repeated tonight and answers requested. In the meantime I have been able to get the answers from authoritative sources, headquarters at Winnipeg, the Canadian wheat board. I purpose answering these questions and possibly adding slightly to some of the information, which will be of interest to hon. members, in connection with the funds on hand with the Canadian wheat board, the property of the producers of grain in western Canada.

The question was asked: What money is being held on hand today from the 1943 crop account? Before giving the answer, I should like to state that there is on hand today with the Canadian wheat board, from the 1940, 1941 and 1942 crop accounts, the sum of $5,000,000. Let me point out whose property that money is. I may make this statement in connection with other crop years because for some members of this house it is quite unnecessary for me to make any explanation, though I believe there are members, who, hearing these figures quoted, may feel that these moneys have some relation to the funds for which distribution is asked for the 1945 crop.

As I say, from the 1940, 1941 and 1942 crop accounts there is on hand a total of $5,000,000. That is, producers' money is being paid out as the participation certificates are turned in and payments applied for. In this connection I may say that every effort is being made by the wheat board to get this money out into the hands of the rightful owners. Numerous letters have been written and follow-ups sent, and everything possible has been done to have the real owners of the money to apply for it and to have it paid.

From the 1943 crop account there is a balance of $6,000,000 on hand today, or there was a day or two ago. That money is also going out as it is being applied for by holders of participation certificates for the crop year of 1943. That money is not wheat board money; it is the property of the grain producers.

From the 1944 crop account, subject to final accounting, although these are definite, authoritative figures, there is the sum of $61 million, again farmers' money on hand, distribution of which to the individual farmer will commence as early as possible this summer.

In the 1945 crop account, subject to final accounting, though the figures are relatively accurate, after allowing for the adjustment payment of ten cents a bushel which has been provided for by government policy this year, there is left on hand a total of $36 million. These are authoritative figures.

I was asked by the leader of the opposition for the investment return to the wheat board on securities that they hold representing investments of surplus producers funds. That investment return is 2·89 per cent, and in addition on cash on hand in the banks the wheat board gets one-half of one per cent.

There are other questions and other comments made by the leader of the opposition, which—

Mr. BURTON: The minister will remember that during the years the wheat pool was operating as a wheat pool they were able to get interim and final payments out to the producers in a very short time. Could the minister explain why it takes the wheat board so much longer to make these final payments than it did the wheat pool?

Mr. MacKINNON: Without attempting in any way to give an all-inclusive answer, I know that the activities of the board are very much greater today. The same man is today in charge of distribution as was in charge then. We have had great practical, physical difficulties in having these cheques issued. The matter of accommodation in Winnipeg, the matter of staff, our inability to get possession of premises that were owned so that we could increase our staff to enable us to take care of the work—all these factors are receiving the best possible attention.

As I was about to say, there were other matters raised by the leader of the opposition, but they have been for the most part carefully and exhaustively, and, to me, satisfactorily, answered by my colleague the Minister of Agriculture (Mr. Gardiner).

The leader of the opposition referred to a statement made by the Hon. Mr. Strachey in the British House of Commons. The leader of the opposition knows, as do the rest of us, that Mr. Strachey made another statement in Canada which has been referred to already in this house, and that was that it would be monstrous for anyone to question the good faith of any British government as regards living up to the letter of the agreement that they have made with the government of Canada.

I was going to refer to some of the newspaper criticisms of the wheat board, not only in a Winnipeg paper but in an Ottawa paper, but I do not think it is necessary to go into that very fully. A great deal of the criticism was incorrectly levelled on the assumption that certain clauses were in this bill as it finally passed the house and without the realization that amendments had been made in committee which removed the objections upon which the editorials were based.

The leader of the opposition referred to a smoke-screen. I think of a smoke-screen as something indefinite and intangible, but I am prepared to come down to more particular matters in reference to opposition to this legislation. I believe that this legislation is absolutely necessary—and I think most of us agree with that—to carry out the provisions of the Canada-United Kingdom wheat agreement. I do know that certain estimable and amiable gentlemen from the city of Winnipeg came to Ottawa—some of them I think are still here and are likely in this building tonight—with the objective of ruining this legislation, of killing this legislation one way or another. There is no doubt in the world that their first objective was to try to injure it and kill it if possible in the agriculture committee of this house. That opportunity was lost when the members on this side of the house, the members of the C.C.F. party and the members of the Social Credit party announced that they were opposed to this legislation, under all the circumstances, going to the committee on agriculture and colonization. Now it is my opinion—and possibly I might be blamed for imputing motives—that this attempt to send this legislation back to the committee of the whole is merely another attempt, coming from the same quarter, to embarrass the government with this legislation.

Mr. BRACKEN: Mr. Speaker, I rise to a question of privilege. The hon. gentleman is suggesting improper motives.

An hon. MEMBER: He is not.

An hon. MEMBER: Yes, he is.

Mr. CASSELMAN: Withdraw.

Mr. CHEVRIER: Why should he withdraw? He has not said anything he should not say.

Mr. MacKINNON: Mr. Speaker, I very carefully stated that I was not imputing any motives to anybody.

Mr. BRACKEN: I am glad to have the minister's re-statement of the position in regard to what he originally stated.

Mr. GARDINER: That is what he said.

Mr. CASSELMAN: It is totally different.

Mr. STIRLING: We shall read *Hansard.*

Mr. KNOWLES: It is the leader of the opposition who calls the motive an improper one.

Mr. CASSELMAN: Why does the hon. member not go across the floor of the house?

Mr. COLDWELL: We are very comfortable here.

Mr. MacKINNON: Mr. Speaker, I want to be just as careful as I can possibly be not to say anything that is improper, and to avoid saying anything at which any member opposite might take offence.

Mr. FULTON: Why do you not say what you mean?

Mr. GARDINER: You would not understand it anyway.

Mr. SPEAKER: Order.

Mr. MacKINNON: Mr. Speaker, I am a bit surprised at the interruptions coming from the portion of the house occupied by the

official opposition. I made no charges or no representations against any one of them. They do seem to be taking to themselves—

Mr. HARRIS (Danforth): Mr. Speaker, on a point of order, the words of the minister were definitely that this was another attempt by an outside body to bring this matter before the house. The point of order is that no outside body using this vehicle, His Majesty's loyal opposition, is making any attempt to voice the sentiments or the minds of those people whom we know not, who came from Winnipeg, in the minister's own words, to attempt to wreck this legislation. I say, Mr. Speaker, that the minister should remove from the record the statement made by him that this is another attempt to wreck the legislation.

Mr. GARDINER: Are you not trying to wreck it?

Mr. ROSS (Souris): Try again.

Mr. SMITH (Calgary West): The only gentleman I met was one the minister introduced me to.

Mr. CHEVRIER: That has added a great deal to the debate.

Mr. SPEAKER: Order.

Mr. MacKINNON: Mr. Speaker, I do not remember the occasion referred to by the hon. member for Calgary West (Mr. Smith), but I am quite sure that if he has said what I understood he has said, he means it.

This legislation, as I have said, is necessary to carry out the wheat agreement.

Mr. SMITH (Calgary West): On the point of order, Mr. Speaker—

Mr. CRUICKSHANK: Open the door, Richard.

Mr. SMITH (Calgary West): The fair inference of what the minister said was that the leader of this party was operating as a tool for some gentleman from Winnipeg.

Mr. CHEVRIER: He said no such thing.

Mr. GARDINER: You ought to withdraw that.

Mr. SMITH (Calgary West): That is a fair inference.

Mr. SPEAKER: Order. I listened very carefully to the minister when he was speaking and I listened to the hon. member who rose on a point of order. I do not believe that the minister imputed to the leader of the official opposition any improper motives.

[Mr. MacKinnon.]

I understood that the motives were attributed to outsiders, not members of the house. Therefore, since he did not impute motives to any member of parliament, I do not think I could ask him to withdraw.

Mr. HARRIS (Danforth): I rise to a point of order, Mr. Speaker. I bow to your ruling, with all due deference; but I say, in fairness to this house that the record ought to be read. I would ask the minister to agree to having the record read, inasmuch as, with the confusion in this house, Mr. Speaker, you may not have heard as well as I did the word "attempt" being used, referring to an outside body and then being used referring to His Majesty's loyal opposition. It is not often that I disturb the chamber, but within the rules of the chamber I would ask you, sir, to ask that the record be read.

Some hon. MEMBERS: No.

Mr. MacKINNON: Mr. Speaker, I should just like to set at rest the mind of the hon. member for Danforth (Mr. Harris). I certainly made no imputation against the leader of the official opposition.

Mr. COCKERAM: Withdraw.

Mr. MacKINNON: Just a minute. Neither did I make any imputation against any member of this house. I will possibly make it clearer by saying this.

Mr. COCKERAM: Withdraw the accusation you made before.

Mr. MacKINNON: If, by referring this matter back to a committee of the whole, it might have the effect of destroying this legislation, then those people, referring to the special interests here, would be very happy. That is what I wish to indicate.

Mr. BRACKEN: There is no suggestion in this amendment that the bill would be destroyed by referring it back for the consideration of one item.

Mr. MacKINNON: I have only another sentence or two. I want to impress upon this house and upon anyone interested in western agriculture that this legislation is necessary for the successful carrying out of the agreement with the United Kingdom. It is an attempt to give the grain producer stability of prices over a term of years. If anything should happen to defeat the legislation I believe the wheat producers of western Canada would wait some considerable time for another opportunity to obtain stability of prices.

Mr. C. E. JOHNSTON (Bow River): I should like to say a few words before the

vote is taken. I wish to assure the minister that there are at least some in this house who do not desire to have this legislation defeated. However, if it is defeated I should say it would be the fault of the government, because they have refused to make the very minor yet important changes that some of us in this house have desired. It is not the proper thing, I take it, for the government to endeavour to use the big stick on members of this house in order to force this legislation through, when I believe they could easily have it passed unanimously.

As the hon. member for Acadia (Mr. Quelch) has said, we are agreeable to legislation of this type covering long-term payments to the farmers and stabilized prices. There is no question about that. We are also satisfied that the contract with Great Britain should be carried out. I may say quite frankly that we do not agree with some aspects of it, but in the main we are quite agreeable to seeing it fulfilled. However, as far as may be possible we are determined to have the government declare themselves on one thing. If they are as sincere as they try to make out they should not be so hesitant about saying they will pay the farmers the stipulated price for all wheat produced and offered for sale within the pool period. Certainly there can be no objection to that, and in that regard the government cannot hold any stick over my head and influence my vote. I tell them right now that if they do not agree to this I shall vote against them; that is, if they do not agree to take all the wheat produced within that pool period and pay the farmers the stipulated price.

Mr. MacKINNON: If I may say just a sentence or two—

Mr. JOHNSTON: I wish you would clear that up, and you can take a dozen sentences.

Mr. MacKINNON: While the bill was in committee, I took occasion to speak on behalf of the government on that very point. I can repeat now, and I wish to repeat, that the government anticipates there will be storage in western Canada to take every bushel of grain grown during this pool period. The government intends to take every bushel of grain grown and offered for sale by the farmers, to the extent of every available bushel of storage space. If I were able to go farther now I should like to do so, but you cannot project yourself into the future and know what the situation will be three years from now. It is not practical to say what we can do under certain circumstances that we do not expect to exist. It is the intention of the government to take every bushel of wheat the farmers offer for sale during the pool period, and to distribute to the holders of participation certificates all the surplus money made during that period.

Mr. JOHNSTON: I am sure we appreciated hearing the Minister of Trade and Commerce reiterate that which he has said already, but he was very careful to point out that the government anticipated no trouble in future in accepting this grain. If the minister is so sincere and so much concerned about that, then I say the proper thing to do is put it in the bill. We do not know what will happen in the future. Whoever heard of a contract being consummated on the assumption that something will take place? When this matter is being dealt with in future, those responsible for carrying out the legislation will go only as far as the wording of the contract and the statute. That is a foregone conclusion, and should not require any argument. If the government will put that in the bill I can assure them I shall vote for this measure. I am not going to take it on the word of a minister who may not be here in 1950, and I do not say that in any unkindly way. If this matter is to be carried into the future, to 1950, it is the honest responsibility of the government to have the contract and legislation so worded. If the government are so convinced that on July 31, 1950, there will be storage space for all this wheat, and that they will be able to take it all, why in heaven's name do they not put it in the bill? That will remove any need for all this argument.

The hon. member for Acadia particularly emphasized two other points that we should like to see dealt with in the bill; that is, payment of the 1945 participation money, and the increase of the initial payment to $1.55. We should like to see these two matters dealt with, but we are most concerned about seeing that the farmer who is taking this loss at the present time is protected in the future, toward the end of this contract. If the government will give us that assurance by putting it in the bill, not merely verbally, that will be enough. Surely the Minister of Trade and Commerce would not expect any businessman to take the simple word of another man on a deal like this. The contract and the bill must be worded in that way. I can assure the government that if they will put that in the contract I shall vote against this amendment, but if they do not I am going to vote for it.

Mr. W. A. TUCKER (Rosthern): In the first place, Mr. Speaker, I should like to observe that if the amendment were to carry and the bill were to go back to committee I am satisfied that, unless the government were ready to move an amendment along the lines suggested by the leader of the opposition (Mr. Bracken), no such change could be made, because it might mean a charge upon the crown. So this amendment can be only one thing, a delaying or dilatory amendment, because it could not bring about the result he desires without the approval of the crown.

Mr. SMITH (Calgary West): This is not the money of the government. Who said it was?

Mr. TUCKER: I submit that, on the face of it, the observation by the Minister of Trade and Commerce (Mr. MacKinnon) was well justified; that this is a dilatory and delaying motion which clearly indicates where the official opposition stands on this important measure.

Mr. ROSS (Souris): More imputing of motives.

Mr. TUCKER: If you have a guilty conscience, of course attribute the motives to yourself.

In regard to the general principle of this bill I am one of those who are in thorough agreement with the idea that we should have a certain measure of stability over a reasonable period of years. I am one of those, too, who think five years is not too long. In fact, many of the farmers in my constituency feel they would like to be guaranteed a reasonable price and reasonable stability for more than five years at a time. If the principle is once written into the law that we should have a five-year pool and stability for five years it would be very hard, it seems to me, if it works out well, for any future government to depart from that principle. In other words, in this agreement and bill we have established the principle of a period of stability for five years at a time.

The attitude of hon. members opposite is this. They are attributing to themselves a great deal of friendship for the farmer because they say: We would like to cut down this period from five to four years in order that there may be distributed at once, or when it can be distributed, probably within the next three years, the sum of $36 million. I think myself that when this whole situation comes to be reviewed in the years ahead the friends of the farmers will say that it was well to leave that less than ten cents a bushel with the wheat board for perhaps an extra two years for the sake of having a five-year period of stability established instead of a four-year period. In other words, we say that we want to have a five-year wheat pool period established as a minimum, and we say that, even if this money be paid out perhaps two years later than it otherwise would be paid out, that is a small price to pay for establishing the principle of stability for a period of five years at a time.

Mr. SMITH (Calgary West): The hon. member said, two years later. If it will take two years to make the 1945 payment it will be 1952 before we make the 1950 payment. Get your mathematics straight.

Mr. TUCKER: I did not think I would have to go into such details as that with my able friend the hon. member for Calgary West. We are perhaps three years behind now in making payments on a yearly basis. If it is all put in a five-year pool, presumably, instead of the money being paid out one year at a time and having five years to look after separately, it will be paid out at once, and it will not take nearly as long to pay it out in one payment as it would in five.

In regard to these attacks on the ground of delay in payments, I point out to the members of this house through you, Mr. Speaker, that the Canadian Federation of Agriculture, in their submission to the government, unreservedly endorse the present wheat board and its present personnel. If they had thought that the wheat board was not doing a good job I submit that they would not have endorsed the present personnel of the board. I think that is clear.

Mr. SMITH (Calgary West): So what?

Mr. TUCKER: "So what," my hon. friend says. The suggestion is made that the wheat board is not doing a good job, that it is pushing the farmer around.

Mr. ROSS (Souris): Who said so?

Mr. ILSLEY: The hon. member for Lake Centre (Mr. Diefenbaker) accused the board of being bureaucrats.

Mr. TUCKER: All I go by is this. I took part in the Portage la Prairie by-election and I saw the attacks made by the official opposition on this wheat agreement.

Mr. ROSS (Souris): Made by whom?

Mr. TUCKER: By the official opposition.

Mr. ROSS (Souris): Name them.

Mr. TUCKER: Well, yourself.

Mr. ROSS (Souris): Mr. Speaker, the hon. member is making a misstatement of fact. I never once criticized the wheat board in that by-election. I criticized the agreement and said it was wrong.

Mr. TUCKER: That is what I said. That just shows again the desire of the official opposition to find fault. I said that the hon. member criticized the wheat agreement.

Mr. ROSS (Souris): You said the board.

Mr. TUCKER: After all, if we cannot agree on a simple matter like that it will be hard for us to agree on some of these other matters. I do say this. I took part in the Portage la Prairie by-election. It is all very well for the leader of the opposition and members to come into this house and say that they are in favour of the principle of the agreement and then proceed to find fault with it in every conceivable manner in order to break down confidence in the agreement throughout the country. They are trying to have it both ways, and when that is suggested to them and they get up and protest, it shows nothing more or less than a guilty conscience. They cannot have it both ways. They cannot go into a by-election like Portage la Prairie and attack this agreement as not being a good one and say that the arrangements made are not good, and then come into this house and pretend that they are in favour of the agreement.

Mr. FULTON: We did not do that at all. We said that it was a bad agreement.

Mr. TUCKER: There we have it. Are you speaking for your leader? I understood him to say that it was a good agreement?

Mr. FULTON: No, he did not.

Mr. TUCKER: Let him deny it. I do not think the esteemed leader of the opposition needs the young man from Kamloops to speak for him. He has been long enough in public life to speak for himself and I do not think he would wish my hon. friend to speak for him.

I think I should pay a passing reference to my friends of the C.C.F. party. I am not unmindful of the fact that they brought the minister of agriculture of Saskatchewan into that Portage la Prairie by-election, and the Hon. Mr. Nollet in that by-election said that a child could have made a better agreement than this one, and asked the people to vote against the government candidate because the government had made such a poor agreement. There is the situation, and I say again to my friends of the C.C.F., let them say the same thing in the house as they say out in the west. Let them not talk one way out there and another way in the house.

Mrs. STRUM: Mr. Speaker, I think the house should know that I had the honour of sharing a platform with the hon. member for Rosthern (Mr. Tucker) in the city hall at Regina before the present session opened. I would ask him whether I was there and whether I did not tell the truth about that agreement.

Mr. TUCKER: You were charming as usual.

Mrs. STRUM: Mr. Speaker, I asked for a statement of truth, not an evasion like that.

Mr. TUCKER: It is very hard for me to admit that the C.C.F. are fair-minded in everything they say because I cannot admit that they are.

Mrs. STRUM: Mr. Speaker, the charge has been made by the member for Rosthern that we have one story in the west and another story in the house. I had the pleasure of appearing on the same platform with the hon. member for Rosthern and I ask him, did I or did I not quote the terms of the agreement?

Mr. TUCKER: In reply to the question asked me by the charming lady member for Qu'Appelle I would say this. On that occasion, as I heard her speech, I found no fault with what she said. In what I suggested I was particularly referring to Mr. Nollet, minister of agriculture of Saskatchewan, whom the C.C.F. brought in to take part in that federal by-election. I was not referring to the hon. member for Qu'Appelle.

Mrs. STRUM: Did the hon. member hear Mr. Nollet make the statement he has quoted?

Mr. TUCKER: It was reported in the newspapers and not denied.

Mr. DEPUTY SPEAKER: I must remind the house that we are not in committee. Is the house ready for the question?

Mr. COLDWELL: The hon. member for Rosthern has imputed something to the movement which I have the honour to lead in this house, and I wish to tell him that no group in this house has been so consistent in support of the wheat agreement, both in and out of the house, as the C.C.F. group.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I wish to say to the hon. member for Rosthern (Mr. Tucker) in connection with what he has said: if he felt that Mr. Nollet, Minister of Agriculture in the Saskatchewan

government, had ever said anything outside the legislature that he would not say inside the legislature, he had an opportunity to become a member of that legislature and to make his charges in that house when Mr. Nollet could have defended himself.

Mr. J. W. BURTON (Humboldt): Mr. Speaker, I had not intended to take part in this debate, because on more than one occasion since the question has been before the house I have spoken not only for myself but on behalf of this group. But when the hon. member for Rosthern (Mr. Tucker) rises in his place in his usual blustering bull-dozing way and makes statements such as he has just made, I want to remind him of what he has been reminded of by the hon. member for Swift Current (Mr. Bentley), namely, that he has not seen fit to accept the offer which was honestly and truly made by the C.C.F. in Saskatchewan.

I also want to tell him that I had an invitation to speak in the Rosthern constituency after the close of the last session. I appeared on a number of platforms there and I defended the wheat agreement to the constituents of Rosthern. I told them that no doubt their member was so busy chasing around other parts of the province that he would not have an opportunity to get into all parts of his own constituency before returning to Ottawa and that I was defending the wheat agreement on his behalf and on behalf of all those who believed in it. When the hon. member for Rosthern gets up on the floor of the house and for his own purposes, not for the sake of helping to put this bill through, makes the statements and assertions that he has made, I do not think he is doing himself or his party any good.

Mr. TUCKER: I ask the hon. member to withdraw. The hon. member has suggested that I did not get up in this debate to make a point, that I got up for my own purposes. I suggest that that is imputing motives. After all, if that is the way he feels about it, I will say to him that if the wheat agreement did not get a better defence than it has received from most C.C.F'ers out west who found fault with almost everything in it and then say that they are in favour of it—

Mr. COLDWELL: The hon. member knows better than that.

Some hon. MEMBERS: Question.

Mr. DEPUTY SPEAKER: Doubtless there has been considerable heat during this argument and I suggest that some of the statements made have almost been unparliamentary. May I ask hon. members to restrain themselves as much as possible and endeavour to discuss the bill which is now before the house for third reading.

Mr. BURTON: Mr. Speaker, I shall endeavour to comply with your request as long as you keep certain members on the other side in order. When the hon. member for Rosthern gets pinned down to certain incidents, he shifts over to another scene and another part of Saskatchewan.

Mr. TUCKER: The hon. member has no right to say that. That is entirely out of order.

Mr. BURTON: What is the point of order? Eventually I shall have an opportunity to deal with the question before the house.

Mr. TUCKER: Why don't you?

Mr. BURTON: Because there are so many foolish statements being made and, if a person does not answer them, they will go out unchallenged.

I just wanted to make one observation before getting down to business which is far too important to the farmers of this country to have side-tracked by some people trying to make a little political capital for themselves. There is no group in the political field in Saskatchewan that has been as consistent and persistent in working for the interests of the farmers as has the group to which I have the honour and privilege to belong.

Some hon. MEMBERS: Time.

Mr. BURTON: I hope the ones who want to call "time" will not call too soon. When we were discussing the various stages of this bill we tried to impress upon the government the necessity of doing certain things in order to provide legislation that would give the farmers the benefits to which they are entitled. As has been mentioned on more than one occasion, the farmers of western Canada believe—so far there has been no satisfactory answer to the contrary—that there was no justification for taking the 1945 crop and placing it in the pool period. There are many farmers who have taken the attitude that the government, by doing that, has violated the agreement. When those farmers started to deliver grain from the 1945 crop it was understood that the wheat board was operating and would continue to operate on its previous basis, namely, a one-year pool. Later on, that crop year was incorporated in the five-year pool, and consequently many farmers believe that, although there may not

have been a written undertaking between them and the government, the government has violated the spirit of the agreement between them.

I suggest to the government that there is a way out by which they can continue to carry out the greater portion of the plan they have in mind and satisfy the farmers that they are prepared to do the right thing. They should adopt the suggestions that we have made on a number of occasions when this question was before the house; that is, make provision to pay interim payments during the pool period at the end of the crop year and make those interim payments on the basis of providing parity to the farmers. I left my notes on the other desk so that I cannot state exactly how many millions of dollars the Minister of Trade and Commerce (Mr. MacKinnon) told the house was in the hands of the government being held on behalf of the farmers. I asked the Minister of Trade and Commerce why it should take the government so much longer to distribute money due to the farmers than it used to take the pools when they were operating on the pooling basis. I thank him for the answer he gave, but it is not as complete as I should like to have. I hope that the government will be able to make a better working arrangement.

However the suggestion I wish to make to the government is that in making these interim payments they take the money out of the fund which belongs to the farmers. Make the interim payment to bring the payment for that year up to parity. If that is done you will be using only the farmers' money. There will still be a considerable amount of money left over which will be used in the pool and which you will distribute at the end of the pool period. I make that suggestion because I believe it can be done. I believe it is possible to do it. If that is done it will solve the problem in so far as the farmers are concerned. It is because they are keenly concerned that I am taking up the time of the house to make this one final plea. Let the government cooperate with us and we shall be prepared to cooperate in helping to do something for the farmers.

Mr. A. L. SMITH (Calgary West): I do not intend to look around to find this blustering bulldozer because I have examined all the seats on the other side and I do not find anyone who would be in that frame of mind. In my opinion they all have their tails down and are hunting a little shelter. They are not the kind of person that was described a moment ago.

What I wish to make plain, if I can, to those of us who sit on this side of the house and with a pious hope perhaps that what I am saying may penetrate the conscience of one or two over there—that is the most that I can expect—

Mr. FOURNIER (Maisonneuve-Rosemont): Presumptuous.

Mr. SMITH (Calgary West): I am very happy to know that. I thought I had missed something. Now that I have learned where the remark came from, compared with the minister, I am presumptuous. His modesty is something that we all know about.

What does this amendment seek to do? It asks that the proceeds of that crop shall be distributed. That is all. There is nothing else in it. When we are accused of acting for the Winnipeg grain exchange and trying to destroy what the government is doing, may I say that I think this is a more apt comparison. Let us assume that in his younger days the minister, who is in charge of this bill, went wooing a young and beautiful woman, and he had secured a beautiful corsage of roses. We all know that roses have thorns in them, but when we give a corsage to a woman whom we are trying to influence in our favour we have the thorns clipped off. What the government are doing here is saying to the farmers of the country, here is a bill. Certain features of it are good for you but you are going to take it with the thorns in it and like it. That is exactly what the government are doing at the present time by the refusal to distribute the proceeds of the 1945 crop.

Mr. A. M. NICHOLSON (Mackenzie): In view of the representation made from this side of the house when the bill was before the committee, the government might be well advised to take into consideration the representations made. The Minister of Trade and Commerce (Mr. MacKinnon) has intimated that there is a matter of $36 million involved which belongs to the producers of wheat.

It is not unreasonable to ask the administration to consider the matter overnight and bring in a recommendation along the lines which have been suggested. I cannot see that it would require any appropriation of government funds to carry out the terms of the suggestion. So far as the members of this group are concerned, if the government reconsiders the matter and refuses to make any compromise whatever we shall support the

government on the third reading. I think the matter might be considered by the government overnight and a decision given tomorrow.

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Adamson
Archibald
Argue
Ashby
Aylesworth
Barrett
Bentley
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Boucher
Bowerman
Bradshaw
Brooks
Burton
Campbell
Caouette
Cardiff
Case
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Daniel
Diefenbaker
Drope
Fair
Ferguson
Fleming
Fraser
Fulton
Graydon
Hackett
Hansell
Harkness
Harris (Danforth)
Hazen
Henderson
Hodgson
Jackman
Jaenicke
Johnston
Kidd
Knight
Knowles
Kuhl
Lennard
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
McKay
MacNicol
Manross
Marshall
Matthews (Kootenay East)
Menary
Miller
Nicholson
Pearkes
Quelch
Ross (St. Paul's)
Ross (Souris)
Senn
Skey
Smith (Calgary West)
Stanfield
Stirling
Strum, Mrs.
Thatcher
Timmins
Townsley-Smith
Webb
White Hastings-Peterborough
Wright
Wylie
Zaplitny—79.

NAYS

Messrs:

Abbott
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chauteauguay-Huntingdon)
Blanchette
Bourget
Bradette
Breithaupt
Bridges
Brown
Brunelle
Chevrier
Claxton
Cleaver
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Douglas
Emmerson
Eudes
Farquhar
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gauthier (Portneuf)
Gibson (Hamilton West)
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Howe
Ilsley
Coté (Matapedia-Matane)
Isnor
Jutras
Kirk
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Leger
Lesage
Little
McCann
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McGarry
McIlraith
McIvor
Mackenzie
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Matthews (Brandon)
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mutch
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Ross (Hamilton East)
St. Laurent
Sinclair (Ontario)
Sinnott
Smith (York North)
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winters—97.

Mr. JEAN: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted against the amendment.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted, I would have voted for the amendment.

The house divided on the main motion (Mr. MacKinnon) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Adamson
Archibald
Argue
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Blanchette
Boucher
Bourget
Bowerman
Bracken
Bradette
Bradshaw
Breithaupt
Bridges
Brooks
Brown
Brunelle
Bryce
Burton
Campbell
Cardiff
Case
Casselman
Castleden
Charlton
Chevrier
Claxton
Cleaver
Cockeram
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Coyle
Cruickshank
Daniel

Dechene
Denis
Diefenbaker
Dion (Lake St. John-Roberval)
Douglas
Drope
Emmerson
Eudes
Fair
Farquhar
Ferguson
Fleming
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser
Fulton
Gardiner
Gauthier (Portneuf)
Gibson (Hamilton West)
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Graydon
Harkness
Hazen
Henderson
Herridge
Hodgson
Howe
Ilsley
Irvine
Isnor
Jackman
Jaenicke
Johnston
Jutras
Kidd
Kirk
Knight
Knowles
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Leger
Lennard
Lesage
Little
McCann
McCuaig
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
Macdonnell (Muskoka-Ontario)
McGarry
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean
McLure
MacNaught
MacNicol
Maloney
Manross
Marier
Marquis
Marshall
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Menary
Michaud
Miller
Mitchell
Mullins
Mutch
Nicholson
Pearkes
Probe
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Ross (Hamilton East)
Ross (St. Paul's)
Ross (Souris)
St. Laurent
Senn
Sinclair (Ontario)
Sinnott
Smith (Calgary West)
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Stirling
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tremblay
Tucker
Viau
Warren
Webb
Weir
Whitman
Winters
Wright
Wylie
Zaplitny—172.

NAYS

Messrs:

Aylesworth
Caouette
Gibson (Comox-Alberni)
Hackett
Pouliot
Skey
Stanfield—7.

Bill read the third time and passed.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS

Right Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 25, to provide for the sale and export of agricultural products.

Mr. STIRLING: Does the minister propose to make a statement at this stage?

Mr. GARDINER: I made quite an extended statement on the resolution, and I do not consider it necessary to make a similar statement at this time. However, I do want to make available to the opposition an amendment I hope to have moved when we are in committee, and I think the information should be given at this time, while we are on second reading.

Some questions bearing on the marketing of apples were asked me on the resolution. I stated at that time that there had been discussions between the provincial apple board and representatives of the British government, as well as between the special products board and the British government, and that the members of the apple board were anxious to be put in a position where they could, during at least the transitional period, have an agreement with Britain for the marketing of apples. I also stated that it was not our intention at the moment to enter into other agreements except the apple agreement under the powers which are being asked for. I was asked definitely whether there was provision in the bill which made it possible for such an agreement to be entered into. I looked into that question carefully between then and now and, after submitting it to the officials of the Department of Justice, I was satisfied that there was no provision in the bill which made it certain that an agreement of that kind could be entered into. So I intend, when we are in committee, to move an amendment to section 5 which, I am assured, will make it possible for that agreement to be entered into. I should like to make copies of this amendment available to the leaders of the different parties tonight in order that they may be able to give it consideration.

Hon. GROTE STIRLING (Yale): May I ask if the minister proposes to put forward any amendments to take care of that other portion of the request, namely, that the existing board should be permitted to carry on with interprovincial trade?

Mr. GARDINER: That is the intention.

Mr. STIRLING: Does this cover both export and interprovincial trade?

Mr. GARDINER: Yes, both.

Mr. STIRLING: Mr. Speaker, under these circumstances I wonder whether it would not be a reasonable request that I should be permitted to adjourn the debate. There has been made at the time of second reading an important suggestion which will have a direct bearing on the debate that will ensue on the motion for second reading.

On motion of Mr. Stirling the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 10.45 p.m.

Friday, March 14, 1947

The house met at three o'clock.

PRIVILEGE

MR. BRACKEN—REQUEST FOR WITHDRAWAL OF REMARKS MADE IN DEBATE ON MARCH 13

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I rise to a question of privilege. On page 1355 of *Hansard* of yesterday the following words are credited to the Minister of Trade and Commerce (Mr. MacKinnon):

I do know that certain estimable and amiable gentlemen from the city of Winnipeg came to Ottawa—some of them I think are still here and are likely in this building tonight—with the objective of ruining this legislation, of killing this legislation one way or another. There is no doubt in the world that their first objective was to try to injure it and kill it if possible in the agriculture committee of this house. That opportunity was lost when the members on this side of the house, the members of the C.C.F. party and the members of the Social Credit party announced that they were opposed to this legislation, under all the circumstances, going to the committee on agriculture and colonization.

The minister continued:

Now it is my opinion—and possibly I might be blamed for imputing motives — that this attempt—

The amendment I moved.

—that this attempt to send this legislation back to the committee of the whole is merely another attempt, coming from the same quarter,—

The "estimable and amiable gentlemen" to whom he referred.

—to embarrass the government with this legislation.

[Mr. Gardiner.]

At that point, Mr. Speaker, I rose and spoke as follows:

Mr. Speaker, I rise to a question of privilege. The hon. gentleman is suggesting improper motives.

A moment or two later the Minister of Trade and Commerce spoke as follows:

Mr. Speaker, I very carefully stated that I was not imputing any motives to anybody.

I suggest, sir, that the words just quoted from yesterday's *Hansard* do impute motives, and do impute them to me. In any event the hon. member for Danforth (Mr. Harris) raised a point of order, and Your Honour made a ruling. When I refer to that ruling I do so with all respect, Mr. Speaker. I have confidence that the rulings you make are your best judgment in the light of matters as you see them. This is what you said:

I listened very carefully to the minister when he was speaking and I listened to the hon. member who rose on a point of order. I do not believe that the minister imputed to the leader of the official opposition any improper motives. I understood that the motives were attributed to outsiders, not members of the house. Therefore, since he did not impute motives to any member of parliament, I do not think I could ask him to withdraw.

I submit, Mr. Speaker, that if you had had before you the words of the minister as they appear in *Hansard* today you would have given a different ruling.

In any event I need no defence in the province of Manitoba against insinuations such as those carried in the words used by the minister.

Some hon. MEMBERS: Order.

Mr. BRACKEN: For twenty-five years friends of these so-called "estimable and amiable gentlemen" have done they very best to defeat me in provincial and dominion elections.

Some hon. MEMBERS: Order.

Mr. BRACKEN: Sir, I do not propose to sit still in this house and allow these words of the minister to remain on record without protest. I respectfully suggest that if you had had those words before you last night you would have made a different ruling. But I understand the rules of the house are such that when a statement of this kind is not required to be withdrawn at the time it is made it cannot be ordered to be done later. Under these circumstances my only recourse is to present to the minister the actual words he used and then to ask him, as the honourable gentleman we have known him to be, to withdraw them.

Mr. MacKINNON: The words I used are on *Hansard*.

Mr. BRACKEN: The words are:

Now it is my opinion—and possibly I might be blamed for imputing motives—that this attempt—

That is the amendment I moved.

—to send this legislation back to the committee of the whole is merely another attempt, coming from the same quarter—

That is, the estimable gentlemen the minister referred to.

—to embarrass the government with this legislation.

Mr. CHEVRIER: What is the matter with that?

Mr. BRACKEN: Mr. Speaker, I present those actual words to the minister and ask him to withdraw them. If he is the honourable gentleman we all know him to be, he will withdraw them now.

Mr. MACKENZIE: On the question of privilege, may I suggest very briefly this to Your Honour. It is not the interpretation which may have been placed by the leader of the opposition upon the words uttered by the Minister of Trade and Commerce that is of significance in this issue. I refer Your Honour now to the actual words uttered by the Minister of Trade and Commerce, as recorded in *Hansard,* on two different occasions. He could not possibly have made it more explicit that he was not imputing any motives. At page 1355:

Mr. MacKinnon: Mr. Speaker, I am a bit surprised at the interruptions coming from the portion of the house occupied by the official opposition. I made no charges or no representations against any one of them. They do seem to be taking to themselves—

And again on the same page:

Mr. MacKinnon: Mr. Speaker, I should just like to set at rest the mind of the hon. member for Danforth (Mr. Harris). I certainly made no imputation against the leader of the official opposition. . . Neither did I make any imputation against any member of this house.

That was made very clear.

Mr. BRACKEN: His words do not bear that out.

Mr. MACKENZIE: Mr. Speaker, I make the point with you as a point of order, apart altogether from the question of privilege, that you are governed by the words actually uttered by the speaker at the time and not by any interpretation of those words made by the leader of the opposition.

Mr. HOMUTH: Mr. Speaker, I rise to a point of order.

Mr. SPEAKER: Order. I would ask the hon. member to allow the minister to finish.

Mr. ROSS (Souris): No. That is entirely out of order.

Mr. HOMUTH: I am rising to a point of order.

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order. I would ask the hon. member to resume his seat and wait until the minister has finished his explanation.

Mr. MACKENZIE: With great respect, Mr. Speaker, I was speaking to a point of order.

Mr. HOMUTH: No, you were not. You did not say that.

Mr. MACKENZIE: My hon. friend is too much of a dullard to understand what I was speaking about.

Mr. HOMUTH: Withdraw.

Mr. MACKENZIE: If it gives my hon. friend any pleasure, if it is the will of the house that I withdraw, I certainly will.

Mr. SPEAKER: I would ask all members of the house to be kind enough to assist the Speaker in maintaining discipline and order in the house. I have given all the latitude possible to the leader of the opposition to speak on his question of privilege. At the moment the leader of the government has the floor, and I would ask hon. members to listen to him. Then if any other hon. member wishes to speak on the question of order, he will have the privilege of doing so. I would ask hon. members to maintain discipline and order.

Mr. MACKENZIE: Thank you, Mr. Speaker. I was just raising a very important point and I am not disturbed in the slightest degree by the question of privilege raised by the hon. member. I think it should have been raised at the moment the words were uttered.

Mr. BRACKEN: It was.

Mr. MACKENZIE: Later on.

Mr. BRACKEN: No, immediately.

Mr. SPEAKER: Order.

Mr. MACKENZIE: I will quote to you what was said after the remarks of the Minister of Trade and Commerce (Mr. MacKinnon). The speakers noted are: Mr. MacKinnon, Mr. Cockeram, Mr. MacKinnon, and then Mr. Bracken.

Mr. COLDWELL: Mr. Speaker, I rise to a point of order. I think this whole discussion

is entirely out of order. The leader of the opposition (Mr. Bracken) last night had the opportunity of bringing this matter of privilege to the attention of the house, which he did; and there is no rule which permits this kind of discussion now. I would therefore suggest that you rule it out of order, sir, and that we go on with the business of the house.

Mr. SPEAKER: As hon. members know, when any member is not satisfied with the words or expressions used by other members of the house, if he seeks to have the words withdrawn, he is supposed to make the request immediately after the words have been uttered. The hon. leader of the opposition has said that he asked the minister to withdraw his remarks. I understand the leader of the opposition has raised a question of privilege to explain the situation which arose last night. He had the opportunity to do so and he should be satisfied with that. I would not permit the house to discuss a ruling which was made by the Speaker last night. I suggest to hon. members that we now proceed with the business of the house.

MR. KNOWLES—PRESS REPORT OF PROCEEDINGS OF MARCH 13

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I rise to a question of privilege. In today's Ottawa *Citizen* under the by-line of Reginald Hardy there is a report of last night's proceedings which contains this sentence:

> Particularly singled out for the "oh's" and "ah's" of the Liberal members were Progressive Leader John Bracken, A. L. Smith (PC Calgary West), John Diefenbaker (PC Lake Centre), C.C.F. Leader M. J. Coldwell, Stanley Knowles (CCF Winnipeg North Centre) and J. A. Ross (PC Souris). All had fought bitterly against the government's wheat policy during the debate.

This is entirely erroneous, both as applied to the hon. member for Rosetown-Biggar (Mr. Coldwell) and myself. I was at one with my colleagues in support of the measure. I even defended it out on the hustings at Portage la Prairie, and I was one of those who called for a vote last night, so that my vote could be recorded in *Hansard* and in *Votes and Proceedings*.

MR. ROSS—PRESS REPORT WITH RESPECT TO REDISTRIBUTION

Mr. J. A. ROSS (Souris): Mr. Speaker, on a question of privilege I wish to call attention to an article appearing the Winnipeg *Free Press* of March 12, on page 1, entitled, "Manitoba M.P.'s Favour Redistribution Plan", and reading as follows:

[Mr. Coldwell.]

> Manitoba's M.P.'s have agreed on all major boundary changes of constituencies under the new redistribution requiring elimination of one Manitoba seat. This has been done by throwing Lisgar and Macdonald constituencies together and Neepawa and Portage la Prairie together and creating a new rural seat circling the four Winnipeg city seats on the north and taking east half of Portage and the northeast corner of Macdonald.

As a member of this federal parliament from Manitoba, and a member of the redistribution committee, I have not agreed to this proposal; in fact the Manitoba subcommittee has not met as yet as a committee to discuss the matter.

Mr. MACKENZIE: That is why it should not be brought up now.

MR. ARCHIBALD—HAINES CUT-OFF—MINISTERIAL REPLY TO QUESTION ON MARCH 13

Mr. H. G. ARCHIBALD (Skeena): I rise to a question of privilege. Yesterday I asked the Minister of National Defence (Mr. Claxton) a question regarding the Haines road. His reply on the floor of this house concluded with this sentence:

> My understanding is that the road was never completed, and it is not intended that it should be closed in the ordinary sense.

I wired this statement to the interested parties. *Hansard* as it appears today contains no record of the latter part of the sentence, which I repeat: "and it is not intended that it should be closed in the ordinary sense." I am at a loss as to what the minister does mean.

CONSUMER ORGANIZATIONS

SUBSIDIES AND PRICE CONTROL—REPRESENTATIONS TO GOVERNMENT

On the orders of the day:

Mr. J. O. PROBE (Regina City): Has a request been received by the Minister of Finance from or on behalf of the housewives' consumers league or other interested consumer organizations in western Canada that the minister or the government meet a delegation to receive a brief on the subject of the restoration of subsidies on milk and other necessities of life, and on the restoration of price control?

Hon. DOUGLAS ABBOTT (Minister of Finance): I have not received such a request, Mr. Speaker, but a copy of a letter from the acting secretary of the housewives' consumers league in Regina, addressed to the Prime Minister, was sent to my office on March 3. In that letter the consumers league asked whether a delegation could wait on the

government, and according to a copy of a letter from the Prime Minister's secretary they were advised to get in touch with the Minister of Finance as the minister directly concerned with the administration of price control, in order to attempt to arrange an interview at a suitable time. I have not yet heard from the league, but when I do I shall deal promptly with their request.

Mr. PROBE: It is not correct to say that they have been refused an opportunity to meet the government?

Mr. ABBOTT: No.

LABOUR CONDITIONS

MARITIME COAL STRIKE—INQUIRY AS TO MEETING IN OTTAWA TO RECONCILE DIFFERENCES

On the orders of the day:

Mr. P. C. BLACK (Cumberland): I should like to direct a question to the Minister of Labour or the Minister of Reconstruction and Supply with respect to the coal mining dispute in Nova Scotia and New Brunswick. Has the Minister of Labour any statement to make as to any progress being made in the settlement of that dispute? If not, has the government taken any steps to have representatives of the labour organizations, the operators and the government meet and endeavour to reconcile the differences between the parties? I am sure practically everyone in Nova Scotia wants this strike brought to an end. I know there is hardly a person in my county who does not want to see it concluded.

Hon. HUMPHREY MITCHELL (Minister of Labour): Just before I came into the house practically this same question was asked by the hon. member for Cape Breton South (Mr. Gillis), the hon. member for Cape Breton North-Victoria (Mr. MacLean) and the hon. member for Pictou (Mr. McCulloch).

Some hon. MEMBERS: Order.

Mr. MITCHELL: I am not raising a question of privilege. If I did that sort of thing I would be on my feet twenty-four hours a day. Don't take yourselves too seriously. This morning I met a delegation of the Canadian congress of labour, who made the suggestion that I call a conference of the parties concerned. I want to say, with all the emphasis at my command, that the Department of Labour is ready to conciliate this dispute at any time, if given an opportunity to do so. Might I say further that not only the people of the maritimes but I believe the people of the whole dominion wish to see this dispute brought to a successful conclusion.

As hon. members know, I appointed Mr. Justice Carroll as a commissioner, and he made certain recommendations. The position taken by the company was that unless they were guaranteed increased production they were not in a financial position to grant the increases requested by the men. The men took the view that an increase in pay should not be tied to guaranteed production. That is how the matter stands at the moment. Neither side has receded from its position. If at any time there is a spirit of conciliation, of willingness at least to give and take in the dispute, you may rest assured that I and my department will use every effort to bring it to an end. In my judgment, however—and of course this is a matter of judgment—there must be a spirit of compromise on both sides. To ask these people to come up here from Nova Scotia and New Brunswick would be a waste of time, unless there were a joint request by both parties to the dispute.

Mr. BLACK (Cumberland): Does not the minister agree that the initiative should be taken by his department, where there is a general desire on the part of the workmen and the public that this dispute be brought to a conclusion?

Mr. MITCHELL: I do not know whether my hon. friend suggests compulsory arbitration, but I am not going in where angels fear to tread, in that business. I have had some experience, and I know something about the background of the settlement of industrial disputes. My hon. friend can rest assured that the same sincerity and, may I say, ability, in the settlement of disputes will be exemplified by my department if we are given the opportunity by both sides.

Mr. BLACK (Cumberland): But, if you will permit me, the initiative must be taken by somebody. I think it should be taken by the minister.

Mr. SPEAKER: I cannot permit debate between the hon. member and the minister.

Mr. GILLIS: May I follow that up? Was the minister's department asked recently by either party to the dispute for the holding of a conference? Was such a request made either by the mine workers or by the operators?

Mr. MITCHELL: Just prior to my coming to the house the suggestion was made by a delegation representing the Canadian congress of labour, and it was made on the basis I outlined a moment ago. While I have had no direct request from the mine workers

organization of Nova Scotia as such, yet on what might be called a confidential level, if I may put it that way, I have had requests from other sources that a conference be held.

Mr. BLACK (Cumberland): If you will permit me, again, I make this appeal to the minister and I ask him if he will not take the initiative and call these disputing parties together.

Some hon. MEMBERS: Order.

TRANS-CANADA AIR LINES

ROUTE BETWEEN WINNIPEG AND EDMONTON VIA SASKATOON

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ask a question of the Minister of Reconstruction and Supply. The press contains reference to the fact that a new Trans-Canada Air Lines short route is being established between Ottawa and Winnipeg. I have a telegram today asking whether the minister is in a position to advise when operations are to begin on T.C.A. route between Winnipeg and Edmonton by way of Saskatoon.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I have stated to the house several times that the operation of the route depends upon the completion of the airport at Saskatoon. I believe the engineers in my department expect to have the airport completed on July 1. If so, the service will begin at that time. The beginning of the service, as my hon. friend knows, will depend upon one or two things; but the answer I have given is approximately correct.

INDIANS

HOSPITALIZATION—FEDERAL PER DIEM RATE FOR TREATY INDIANS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to ask a question of the Minister of National Health and Welfare. Has the minister's attention been drawn to the fact that the hospital at Portage la Prairie, Manitoba, is refusing to admit treaty Indians as patients because the federal government will pay only $2 per day per patient? Will the government consider increasing this amount, in view of the urgent need of many Indians in central Manitoba for hospitalization?

Hon. PAUL MARTIN (Minister of National Health and Welfare): The hon. member for Macdonald (Mr. Weir) yesterday made representations somewhat along the same line. I told him, and I now tell the hon. member, that the per diem rate is higher than $2 a day in that particular hospital.

Mr. KNOWLES: What is the rate?

Mr. MARTIN: $2.50.

ENEMY PROPERTY

REQUEST FOR PRINTING OF CUSTODIAN'S REPORT

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I should like to ask a question of the Secretary of State, arising out of the report of the custodian of enemy property, which the minister tabled this afternoon. Is it the government's intention to have this report printed, or at least to have copies of it made available to the various parties before the bill dealing with this matter is again discussed in the house?

Hon. COLIN GIBSON (Secretary of State): There has not been any arrangement made for printing, but consideration can be given to the printing of the report. As the legislation is of an urgent nature, I do not want to delay proceedings by waiting to have the printing done.

Mr. FLEMING: Could carbon copies of the report be made available?

Mr. GIBSON (Hamilton West): I am not sure if they are immediately available; I shall make inquiries and let my hon. friend know.

COAL

PRESS REPORT OF SUBSIDY PLAN

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I be permitted to inquire if the attention of the Minister of Finance or the Minister of Reconstruction and Supply has been directed to an item in the Halifax *Herald* on Thursday, March 13, which carries the heading "Reveal coal subsidy plan"? I have been endeavouring to get information on this point for ten days, and I now wish to ask whether either minister is aware of the fact that the mayor of Halifax, according to this report, has announced in that city the government's policy in the matter of subsidies on imported American coal. If this is a correct report, then I say the matter should have been announced in the house rather than by the mayor of Halifax.

I am not going to displease Your Honour by attempting to read the article, but it is

one which is of importance to every member in the house, in that government policy has been announced outside.

Mr. SPEAKER: Order.

Mr. GILLIS: And secondly—

Mr. SPEAKER: Order. The hon. member knows that the purpose of a question is that of getting information rather than giving it. The hon. member's question should be direct and to the point.

Mr. GILLIS: Well, I could have made a speech on a question of privilege, but I thought you had enough of that for the afternoon. If either minister has not seen this, I shall send it to them, and at the first opportunity I believe some statement should be made in the matter.

Hon. DOUGLAS ABBOTT (Minister of Finance): I shall read in *Hansard* what the hon. member has said, and try to give an answer early next week.

FISH

CANNED AND SALTED—DISCONTINUANCE OF INTERNATIONAL ALLOCATION

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I should like to ask a question of the Minister of Fisheries, arising out of a statement he made in the house yesterday. His statement was:

> Similarly, allocation of salted cod and other salted groundfish of 1946 production will come to an end on June 30 of this year, and there will be no allocation of salted fish from 1947 production.

Does that mean all salted fish, of all types, or does it mean only salted groundfish? I wish to know whether the restriction regarding the salting of herring will be removed by this provision.

Hon. H. F. G. BRIDGES (Minister of Fisheries): I shall take the hon. member's question as notice and give an answer later.

BUSINESS OF THE HOUSE

PROCEDURE IN DEALING WITH EMERGENCY LEGISLATION

On the orders of the day:

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, the Prime Minister indicated earlier in the week that I would be making a statement as to the probable course in respect of the so-called emergency legislation. I have been waiting to see what the probable progress of the house would be during the month of March, and I have come to the conclusion that in all probability it will be impossible for us to finish the emergency legislation on the order paper on or before March 28.

The National Emergency Transitional Powers Act, 1945, as amended, will expire on March 29—not March 31, as is the general impression. It expires sixty days after the opening day of parliament. There is a substantial body of legislation which must be enacted before March 29, unless many important measures are permitted to lapse, thus causing a condition of great confusion, amounting almost to chaos, in the country. Therefore the government has come to the conclusion that it must ask parliament for an extension for a limited period of the National Emergency Transitional Powers Act, 1945, as amended. There is a proviso in the appropriate section of that act which states:

> Provided that, if at any time while this act is in force, addresses are presented to the Governor General by the Senate and House of Commons respectively, praying that this act should be continued in force for a further period, not in any case exceeding one year, from the time at which it would otherwise expire and the governor in council so orders, this act shall continue in force for that further period.

It was decided yesterday that there should be an Easter recess of nearly two weeks. That means that legislation which is uncompleted before the Easter recess will not be reconsidered before the fourteenth or fifteenth day of April. I think it would be unsafe for the government to plan for the completion of that legislation within a period of less than approximately thirty days after we reassemble. Therefore I propose today to give notice that an address will be moved on Tuesday next praying for the extension of the National Emergency Transitional Powers Act until the fifteenth day of May. The government will be prepared at the time that address is moved in the house to give appropriate undertakings for the repeal of outstanding orders in council in the event of the new legislation being assented to before the fifteenth day of May. I should hope that this legislation would be passed long before that time, but some is of a serious character and judging by the experience we have had with the legislation before the house—I think the progress has been reasonably satisfactory—it would be unsafe for the address to specify a date earlier than the fifteenth day of May. However, that is a matter that can be dealt with when the address is moved. Addresses will be moved in the House of Commons and in the Senate for this limited extension of the National Emergency Transitional Powers Act. I am making

a statement now rather than next Tuesday so that the house will understand what the government has in mind.

Mr. DIEFENBAKER: Will the minister permit a suggestion? It is most difficult to know what particular orders in council are in effect under the National Emergency Transitional Powers Act. Can the minister lay on the table of the house a list of the orders in council now in effect, in addition to those appearing in the appendix to the omnibus bill? The great difficulty is to ferret out which orders in council are in effect and which have been revoked or repealed during the last few months.

Mr. ILSLEY: That information is all before the house; the orders in council passed under that act have been tabled. I can understand that it is drudgery to read all the orders in council that have been tabled, but the information is all before the house. There is just this qualification of the statement I have made: Some of the orders in council are spent, that is, they have ceased to have effect because the circumstances to which they originally applied have ceased to exist. It would take a great deal of work to compile the list that the hon. gentleman wants, but I will see whether it can be done and advise the house later.

Mr. DIEFENBAKER: I trust the minister can do that, because if it is difficult for the government to furnish the information, it is just that much more difficult for the people to know what laws are in effect.

Mr. ILSLEY: I object to a political speech on an interchange such as this. The hon. gentleman has the same access to the orders in council as the government has. They have all been placed before the house.

POSTAL SERVICE

MAIL CONTRACTS—PROVISION FOR SUPPLEMENTAL PAYMENTS

Hon. ERNEST BERTRAND (Postmaster General) moved the third reading of Bill No. 17, respecting supplemental payments on mail contracts.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, a list of the mail contracts in respect to which bonuses have been paid has just been laid on the table of the house. Through the courtesy of the Postmaster General I have that list before me now. It is manifestly impossible for anyone to discuss the import or the purport of what has been done in this connection, and I should like to suggest to the minister that this matter be held over until a later date.

Mr. BERTRAND (Laurier): Mr. Speaker, I am one minister who likes to say yes whenever possible. I can understand that it would be impossible for an hon. member to go through this long list of contracts today. The hon. member is asking for a postponement until Monday?

Mr. DIEFENBAKER: Yes.

Mr. BERTRAND (Laurier): I think that is fair. I want the hon. member to have time to convince himself that all the bonuses have been given in good faith. I agree to his request.

Motion stands.

On motion of Mr. Diefenbaker the debate was adjourned.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARD

The house resumed from Thursday, March 13, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 25, to provide for the sale and export of agricultural products.

Hon. GROTE STIRLING (Yale): Mr. Speaker, last evening the minister spoke briefly after introducing this bill because, as he explained, he had taken the opportunity when the resolution preceding the bill was before the house to speak at some greater length as to the purposes of the measure. However, he did take the opportunity to explain that it was his intention when we reached the committee stage to move an amendment which, as we understood, would have considerable effect on the measure itself. After asking him a couple of questions, which he answered, I sought and obtained the permission of the house to adjourn the debate a few minutes before eleven o'clock, in order that we might have an opportunity of considering what that amendment amounted to. The minister handed around slips describing it, but I must not discuss the amendment on the second reading. I should like to observe, however, that the effect of it will be to permit the distribution of apples, and apples only, whenever the distribution is undertaken by a board set up under a provincial marketing act. Further discussion of the matter will take place when the bill is in committee and we reach the section indicated.

The purpose of this bill is to empower the minister to lay his hand on certain agricultural products required for the purposes of international or other agreements which may be made. The methods by which that object may be attained are set forth in the bill, for the bill will empower the minister to establish a board or boards which will have very wide powers. Those boards will act under the direction of the minister and will be able to acquire agricultural products designated by the governor in council, deliver them, store them, and besides that, set the price which the farmer will receive for those products. That method of arriving at the object of the bill carries with it a principle with which we are not in accord. My mind goes back to the discussions which took place in this house in 1934 on the natural products marketing bill, when the Prime Minister (Mr. Mackenzie King) fulminated violently against that bill from its first section to its last, and the Minister of Justice (Mr. Ilsley) expressed his strong opposition to its terms despite the fact that the farmers in the Annapolis valley had unanimously indicated their support of the measure. I wonder, Mr. Speaker, what the situation would have been if that bill had contained these wide powers! Is it surprising that the hon. member for Quebec South (Mr. Power) yearns for the day when the Liberal party may return to those principles which he alleges they once followed?

I say that we are not in accord with the principle involved in this bill. We do not consider it right that the farmer who produces the product should have no say in its disposition or in the price he shall receive for it, and in that regard we are on all fours with the representations made by the Canadian Federation of Agriculture a fortnight ago today. The Canadian Federation of Agriculture met the government in the early hours of the day on which the minister moved the resolution which resulted in the introduction of this bill. The view of the Canadian Federation of Agriculture is that the proper basis on which to proceed in such a matter as this is a recognition of those boards at present in existence or to come into existence under the marketing acts which have been passed in every province.

I want to point out to hon. members that the Canadian Federation of Agriculture speaks with no sectional voice in Canada. It neither speaks with the voice of one part of Canada nor speaks with the voice of farmers producing any one particular product. It is the collective voice of the farmers. There are branches of the Canadian Federation of Agriculture in eight of the nine provinces. These branches meet annually and discuss their problems. They arrive at policies. Their delegates assemble here in the city of Ottawa and in open meeting of the Canadian Federation of Agriculture they put forward their views, and the views of the federation are there hammered out, so that it is feasible for the Canadian Federation of Agriculture to meet the dominion government and set forth the policies which it advocates.

The main reason why I am so strongly in favour of recognition of the boards at present in existence under the provincial marketing acts is that they are producer boards. The basis of those nine acts is just this, that in any stipulated area, if there be a majority of producers of certain commodities who desire to form themselves into a board, they may receive permission to do so. They elect their board, and that board carries out the control and the regulating of the marketing of those crops in an orderly fashion for the benefit of the producer, the benefit of the consumer and the benefit of the trade, and it is only reasonable to my mind in a matter of this kind that the government should recognize the fact that such boards are in existence and that they are efficient. The minister himself has had opportunities of working with at least some of these boards.

I would draw attention by way of illustration to two things which have happened since the war began. When the war broke out, shipping disappeared so far as commercial produce was concerned. That was an extremely serious matter for the province of Nova Scotia because their habit for generations has been to barrel their apples and to send them across the seas to the United Kingdom, to Scandinavian countries, to Newfoundland, Iceland, and the West Indies. It was not such a serious matter for the apple producers in British Columbia because for some years past from twenty-five to thirty per cent of their product had been sold in the export market, but it was sufficiently serious to deal a blow to that industry in British Columbia.

The only reason I am using the apple as an illustration is that I come from the centre of the Okanagan valley and I personally am more conversant with the conditions of the British Columbia fruit trade than I am with those of the other boards which exist in that province. I would not like it to be thought, as has been alleged in times past, that the whole strength of the movement of the Canadian Federation of Agriculture is based on the fruit industry, for that is very far from true. The fruit industry is merely one of those bodies which support the Canadian

Federation of Agriculture both in its provincial branches and in the federation itself.

When that export was entirely cut off, the federal government saw fit to make financial arrangements under which the farmers might be enabled to remain on their farms and to produce this food. That was a very considerable assistance in Nova Scotia. The method adopted was largely that of turning the apples over to the processors. In British Columbia it was necessary to a far lesser degree to make use of that financial assistance because as the war developed and as employment increased consequent on the spread of industry for the war effort, the domestic market reached such proportions that it was possible for the British Columbia fruit board to sell practically all its produce in the domestic market. But in that instance it is interesting to note that when the dominion government, having set up this financial arrangement, required some body of people to deal with it at the other end, it was to these fruit boards that they turned, and they made use of them in applying this financial arrangement.

May I give an illustration. Not long ago when shipping was again possible the United Kingdom indicated that it desired to purchase Canadian apples. The question arose as to where these apples could be obtained, in what quantity and what the price should be. The head of the British mission was directed to the two boards, the one in Nova Scotia and the one in British Columbia. He went to see the Nova Scotia board and the British Columbia board and carried out a dicker by the ordinary methods of trade with the one and the other as to quantity and the price that should be paid. Barrels of apples in Nova Scotia and boxes of apples in British Columbia when converted into barrels, turned out to be at very much the same price, and that price was the one which was adopted in the agreement with the United Kingdom. Therefore in these two matters the minister is not without knowledge and experience of what these boards are capable of doing. I would venture to suggest that he appreciates the assistance which those boards were able to afford in time of need.

We are not in accord with the principle behind this bill, because we believe that there should be recognition by the government of the existing boards, and it should be so stated in the bill. I intend to make that the subject of an amendment which I propose to move, seconded by the hon. member for Brant (Mr. Charlton), and which I shall now read. It is as follows:

That the said bill be not now read the second time, but that it be resolved that an Agricultural Products Act should be based on the principle that producer boards, set up under provincial marketing acts, where such boards exist or as they may from time to time come into existence, be used for the purposes of such Agricultural Products Act, instead of commodity boards established by the minister under section four of the said bill.

The phraseology adopted in the amendment is the phraseology set forth in our rules of procedure for an amendment on second reading, but I should be extremely glad if the minister would see the force of the contention and incorporate that principle in the bill.

Under these nine provincial acts as they exist today there are a score or more of these boards dealing with all sorts of different agricultural products. Where there is a board dealing with a commodity which the minister desires to acquire it surely is but reasonable to give the producer of that commodity the opportunity to have a say in the disposition of the product as well as the price it will bring.

Now, an observation or two with regard to what the minister was good enough to divulge last evening in the matter of an amendment which he had in mind. I know that we must not discuss it at this stage, and I do not propose to do so; but I should like to make an observation or two with regard to it to show how it came about. When the minister spoke on the resolution which preceded the introduction of the bill it was getting pretty late in the evening and the house was good enough to assist him to the extent of passing rapidly through the resolution stage and reaching the introduction of the bill, because the following week the house would revert to the debate on the address and if we had not succeeded in getting the bill into our hands that night we should probably have had to wait a couple of weeks to see it.

As the minister drew to the end of his remarks I asked him the following questions as reported on page 930 of *Hansard:*

Did I understand the minister to say that the existing boards will be empowered only to carry out transactions connected with agreements which the government has entered into with other countries, or will this bill enable the boards to carry out other undertakings which they have taken on with regard to shipments out of one province into another province?

Mr. Gardiner: The bill will cover interprovincial and international shipments.

Mr. Stirling: Not only connected with the agreement?

Mr. Gardiner: Not only connected with the agreement. It does provide authority to deal with interprovincial transactions.

When we received the bill and were able to read it we could find nothing whatever in

it to warrant the minister in giving these answers; and in consequence the president of the Canadian Federation of Agriculture, with three of his colleagues, called on the minister and asked him to be good enough to explain what the answers to me meant. On that occasion he told them that he had certain amendments in contemplation which he might move when the bill reached committee stage. He indicated that it would still be possible for the existing boards to carry on under the powers granted by the order in council under the War Measures Act, in the regulatory work which they had been doing outside the provinces in which these boards were set up. Again last night when the minister told us of the amendment that he proposed to move but did not indicate its character, he said that it would be possible for these existing boards to carry out regulatory work both in export and in interprovincial trade.

Mr. GARDINER: With regard to apples.

Mr. STIRLING: Yes. The minister has restricted this amendment to apples, and although a small slice of bread is better than a whole loaf if you cannot get the whole loaf, it scarcely comports with what the minister is stated to have said to the Canadian Federation of Agriculture when they met the government. I read these few words from the report got out by the Canadian Federation of Agriculture on what took place during the discussion with the cabinet:

> Mr. Gardiner, Minister of Agriculture, announced that he was introducing into the commons, an act which would carry on the powers and functions of various marketing boards which had been functioning during the war and up to the present. He indicated also that the act would convey powers which would make it possible for the government to meet part of the wishes of the delegation with respect to federal marketing legislation. However, he stated the act would only be in force for one year, to be reenacted again at that time if desired.

When we see the restrictions contained in the amendment, in that they refer to apples only and it is not by any means clear that they cover export trade as well as interprovincial trade, it leaves us with the doubt which we must carry in our minds until we reach the committee stage of the bill and can discuss them at greater length.

I therefore sum up in this way, Mr. Speaker. We quite realize that it is necessary for the government to obtain the commodities required for certain international agreements which they have arrived at, but we contend that before the disposition of the farmers' produce should be made, and particularly before the price is arbitrarily set by the minister, the farmers should have an opportunity of indicating their wishes with regard to what they have produced and the price at which they are able to sell it.

Mr. J. W. BURTON (Humboldt): Mr. Speaker, I always enjoy listening to the hon. member for Yale (Mr. Stirling), but I regret that the acoustics of the house are such that I am seldom able to hear all that he says. I regret especially that I was unable to follow his entire argument in support of the amendment that he moved, but I hope that as I proceed I shall be able to gather the ends together where they may be somewhat apart. While he and I may deal with this question from different angles, I am certain we both have the sincere desire of doing something worthwhile for agriculture.

I should like to deal briefly with the general principles of the bill as they are outlined in the preamble. I shall read only that part of it which sets out what is really the main reason why the government considers it necessary to have this piece of legislation. I quote:

> And whereas certain orders and regulations were made by the governor in council under the authority of the War Measures Act and the National Emergency Transitional Powers Act, 1945, for the purpose of enabling Canada to carry out the said agreements;—

I might interject there, Mr. Speaker, that previously they were dealing with the agreements which the government had signed.

> —And whereas the said orders and regulations will expire on March 31, 1947, and it is necessary by reason of the existing national emergency that parliament confer authority to enable the government of Canada to fulfil its obligations under the said agreements and to continue to sell and export food supplies to distressed countries for the relief of suffering and the distribution of essential food supplies, in order to maintain economic stability and to ensure an orderly transition from war to peace.

I should just like to emphasize that last part:

—"in order to maintain economic stability and to ensure an orderly transition from war to peace." I ask the government what period of time they would set as the transitional period. I think that is important. While the Minister of Agriculture (Mr. Gardiner) tabled some agreements today, I regret that we did not have them soon enough to get a little insight as to how long some of these agreements are to carry on. As I understand it, they are all for different periods of time, with the result that this act will be applicable for the purposes of one agreement which may be for two years and another which may be for a longer period. I should like to know what the government consider to be a reasonable length of time for the transitional period.

This bill is not what the organized farmers wanted or asked for. We had handed to us last evening a slip of paper which has quite a bit of typing on it, and which the Minister of Agriculture submitted for our consideration as an amendment to the bill which is before us. I shall not read the entire amendment; all those who are interested have no doubt read it. I consider it an improvement over what the minister had in the bill before, but if already he finds it necessary to submit an amendment to the bill, surely the bill in its original form did not receive all the consideration it should have received.

There is just the one point that I wish to emphasize. In paragraph (b) of subsection 5(1) of the proposed amendment of the Minister of Agriculture there are these words:

> For the purpose of regulating the movement of apples from one province to another and requiring that any such movement be made only by or under the authority of a provincial marketing board.

That is all very good; but surely the organized apple growers of British Columbia and Nova Scotia and other parts of the dominion are in a much better position to make their wants known to the government than almost any other branch of agriculture which may be dealt with under this act. Yet apparently this was overlooked until just the last moment.

This bill does not go as far as the organized farmers want it to go. I would remind the house that some time ago we were discussing another related matter to which I hope I may refer without transgressing the rules of the house. While this matter was under discussion we were informed that the Canadian Federation of Agriculture was holding a conference in the city of Ottawa, and we were told we should wait with the proposals being advanced at that time until we found out what the organized farmers wanted. Well, Mr. Speaker, other hon. members as well as I attended that conference, for at least part of the time, and I was pleased and more than surprised to hear the almost unanimous demand for legislation along the lines advocated by members of this group for quite a number of years. In their discussions they emphasized in no uncertain terms the fact that no longer should conditions be tolerated under which a small minority, for selfish reasons or otherwise, could upset orderly marketing for the great majority of the producers of certain commodities. In that connection I should like to quote briefly from an editorial appearing in the Ottawa *Citizen* of March 11, in reference to this conference. Here are the final sentences of the editorial:

> The request for compulsory marketing agencies is not restricted to grains. The federation has presented the government with a draft of a dominion farm products marketing act. This bill calls for establishment of marketing boards to handle interprovincial and export trade in all agricultural products. And it has asked that the government bring it before parliament this session.
>
> The federation's action indicates that the farmers have not the horror of planned marketing which some attribute to them. Rather they appear to believe that uncontrolled marketing holds greater dangers. No doubt they remember the confusion and starvation prices of prewar days. And they do not desire to have their livelihood again dependent upon the whims of market speculators.

Just to give an idea of what they think should be in a bill of this kind I am going to draw to the attention of hon. members, through you, Mr. Speaker, three portions of the draft bill presented by the federation. I need not bother with the sections or details, but will refer first to the short title. There they want the name to be "The Farm Products Marketing Act". May I mention in passing that the bill now before us makes no mention of being a marketing act. Furthermore, the federation specify this draft as—

> An act to improve the methods and practices of the marketing of farm products in interprovincial trade within Canada, and in export trade, and to make provision for the regulation and control of trade and commerce therein, and to make further provision in connection therewith.

Then under "Purpose and intent" they say:

> The purpose and intent of this act is to provide in respect to interprovincial trade in Canada and in export trade, for the improvement of the methods and practices of marketing of farm products, in any or all respects and in whole or lation or prohibition of the marketing of farm products, in any or all respects and in whole or in part.

I submit that originally the legislation now under consideration did not contain provision for anything in respect to interprovincial trade, until the minister brought in his proposed amendment last evening. I should like to say a few words about the stand taken by the C.C.F. group in respect to orderly marketing during all these years. Time after time spokesmen for this group have placed before parliament our belief that, as I mentioned a few moments before, we should not have a condition under which a few, for selfish or other reasons, could upset orderly marketing for the great majority of the producers. That belief dates right back to the time we first formed our political association. In that connection I refer to a document known as the Regina manifesto, drawn up at the first national convention held at Regina in July, 1933, setting out the policies and principles of this organization. I need not take

time to quote from that document except that portion pertaining to the matter under consideration today, but I can assure hon. members that it contains some interesting proposals. Item No. 4 of the plank concerning agriculture deals with this very question. It says:

The substitution for the present system of foreign trade, of a system of import and export boards to improve the efficiency of overseas marketing, to control prices, and to integrate the foreign trade policy with the requirements of the national economic plan.

During all the years since 1933 we have been advocating this very thing; and as is pointed out in the editorial in the Ottawa *Citizen* which I quoted a short time ago, the organized farmers in more places than just the prairie provinces have come to lose their fear of orderly marketing. In that connection I might repeat something I have stated on more than one occasion, something which has been stated by many hon. members of this group. I refer to the urgent need for stability in the marketing of our farm products. I contend that this bill does not give the farmers the required stability. In the first place, I can foresee the possibility that this bill may expire a year from now, while some provisions, dealing with certain agricultural products, may run for a number of years longer. In the different branches of agriculture we need a much longer range view than that. We need long-range planning to give the stability I mentioned a moment ago. Take the dairy branch of agriculture, and see the position the dairy people will be in if they must plan only from hand to mouth, so to speak, or from one year to another. We all know that those engaged in dairying must be able to plan their work for some years in advance. Hog production does not need quite as long a time as dairying. Yet this bill does not give those who are connected with hog production any assurance that they will have a long-range policy, or that it will afford them any stability. Beef cattle require a longer period. It takes from two and a half to three years for producers of beef cattle to cash in on their work.

In the matter of fruit, we have a type of farming in which a number of years are required before the farmer begins to realize any advantage from the work he has put in; therefore he needs a longer time in which to plan. Even vegetable growers require stability and planning in their markets. I am happy to say that they too are beginning to realize the necessity for controls and regulations. The great need is for coordination and control of interprovincial as well as export trade, and above all the desirability of as great a degree as possible of democratic control by the producers themselves. Therefore, I move, seconded by the hon. member for Melfort (Mr. Wright):

That all the words after the word "that" be struck out and the following substituted therefor:

"This bill be not now read a second time but that it be resolved that in the opinion of this house the government should give consideration to the re-drafting of this bill to make provision for:

(a) A dominion marketing board to have control over the orderly marketing of any farm product in interprovincial trade within Canada and in export trade;

(b) Authority to confer on any existing local marketing board or agency established under law of a province, power to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade;

(c) The establishment where any provincial local marketing board or agency does not exist, of local marketing boards to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade, providing the establishment of such a board, is favoured by a majority of the producers in the area concerned, the membership of such a board to consist of producers of the regulated product in the area to which this scheme relates."

Mr. GARDINER: Rising to a point of order, I was going to deal with the amendment—

Mr. DEPUTY SPEAKER: I understand the hon. member for Humboldt (Mr. Burton) has almost completed his observations.

Mr. GARDINER: I thought he had finished.

Mr. BURTON: I am interested in hearing what the minister's point of order is, but—

Mr. BRACKEN: Will the hon. member explain the difference between his amendment and that moved by the hon. member for Yale (Mr. Stirling)? I understand they are much alike, except that there is greater detail in the one offered by the hon. member for Humboldt. Will the hon. member elaborate upon it?

Mr. BURTON: I should be glad to, but there may be one or two other speakers to follow me, and they will do that. I admit that there is some similarity, yet my amendment covers a wider range of the subject matter under discussion. I am satisfied that there is enough difference to warrant the moving of the amendment to the amendment.

In the limited time I have to read the newspapers, I was astounded at an editorial in the Ottawa *Journal* of March 11, commenting on the editorials in the Winnipeg *Free Press* to which reference was made in the

house yesterday. I shall not deal with the editorial in the *Journal*, more than to say that it appears to have taken it upon itself to consolidate the arguments advanced by the Winnipeg *Free Press*. The editorial in the *Journal* is entitled "Twilight of Freedom." The editor of the Ottawa *Journal* and others of like mind have been asleep so long they do not realize that instead of controlled and planned marketing as advocated by organized farmers being the "twilight of freedom," it is in fact the breaking of the dawn ushering in a new day when no longer the tillers of the soil will be exploited by those who would use a few in the industry for their own selfish ends.

Mr. DEPUTY SPEAKER: May I point out to the house that already we have an amendment before the house, and that the one offered by the hon. member for Humboldt is in the nature of an amendment to the amendment, or what is commonly called a subamendment. It is proposed in this subamendment that all the words in the amendment be stricken out. In my opinion it is not in order to do so. In such circumstances I believe the proper procedure would be to wait until the amendment itself is negatived, at which time the present amendment to the amendment could be offered as an amendment to the main motion.

In this connection I would refer hon. members to May, 12th edition, at page 266, where we find this statement:

> An amendment to a proposed amendment cannot be moved, if it proposes to leave out all the words of such proposed amendment, but in such a case the first amendment must be negatived before the second can be offered.

Therefore I must rule—

Mr. COLDWELL: Just before you rule, Mr. Speaker, may I suggest that it does not strike out all the words in the amendment; it strikes out all the words in the amendment after the word "that". Therefore the whole amendment is not struck out. May I suggest that the procedure permits a member to move something which may vary the proposal or is declaratory of another principle. I may say that if that point is raised it may well be that this is the same as the motion moved by the hon. member for Yale, but there is an essential difference. If you read clauses (a) and (b) of the amendment to the amendment you will find there principles other than those included in the amendment moved by the hon. member. I suggest that it has been the custom in this house to accept subamendments in the term of the subamendment now before you and that the amendment has not been stricken out in its entirety since the word "that" is left in.

Mr. BRACKEN: If I may be permitted to do so, I should like to compliment the leader of the C.C.F. upon the ingenuity he has shown in supporting his subamendment.

Mr. DEPUTY SPEAKER: As the leader of the C.C.F. group has said, the words are not struck out, but all the effective words of the amendment are struck out.

Mr. COLDWELL: It does ont say "effective" in the book.

Mr. DEPUTY SPEAKER: I must rule that the subamendment is out of order.

Mr. COLDWELL: I will move it later on.

Mr. GARDINER: The point of order which I intended to raise was not in regard to the amendment to the amendment; it was in regard to the amendment. Citation 755 of Beauchesne's, second edition, reads:

> It is also competent to a member who desires to place on record any reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill.

The amendment reads as follows:

> That the said bill be not now read the second time, but that it be resolved that an Agricultural Products Act should be based on the principle that producer boards, set up under provincial marketing acts, where such boards exist or as they may from time to time come into existence, be used for the purposes of such Agricultural Products Act, instead of commodity boards established by the minister under section four of the said bill.

Reference is made to section 4 of the bill. If an amendment in these terms is to be moved to the bill the proper place to move it would be when that section is before the committee, not on the second reading. I suggest that section 4 provides for exactly what is suggested in the amendment. Action may be taken not only under the bill but under another act, and I refer to chapter 29 of the statutes of 1944-45, which is the Agricultural Prices Support Act. There is, under that act, the possibility of setting up boards which would do identically the same thing as is provided for in the bill we are discussing.

In other words, there are two different ways of dealing with the transition. We may deal with the transition under the Agricultural Prices Support Act, as we are doing in the case of potatoes, or we may deal with other products in other ways. That act provides in paragraph (i) of section 9:

> The minister under regulation passed by order in council has power

(i) to appoint commodity boards or other agents to undertake the purchase and the disposition of agricultural products.

Under that section we can appoint any agency that has been set up by any organization to undertake the purchase and sale of farm products. In the section referred to in the amendment it is provided that we may utilize the section of the other act for the purpose of setting up boards. If I am permitted to do so under the rules of the house, I should like to read the last part of section 4 which states:

The minister may direct that any agricultural product designated by him may be purchased for the purpose of this act or the Agricultural Prices Support Act, 1944, only from a provincial marketing board.

In other words, where those boards do exist for the handling of products it is possible for us to do exactly what the hon. member for Yale thinks we ought to do. The bill provides for that. There are products dealt with in agreements for which no provincial boards exist. Apples happen to be the only product where there is a complete organization set up right across Canada by the producers to deal with the situation. I submit that the amendment does not change the legislation; it simply advocates something already provided for in the legislation. Second, it is an attempt to amend a section of the bill which can be amended in committee if we so desire. Such an amendment should not be considered on second reading as an amendment to the motion for second reading of the bill.

Mr. STIRLING: On the point of order, it would appear to me that the minister's case really turns on what is the principle of the bill. It is quite clear to me that the principle of the bill is that the minister shall be empowered to establish boards which can take and sell, at whatever prices he chooses to set, certain agricultural products.

Mr. GARDINER: There may be other boards.

Mr. STIRLING: The principle of the bill is to acquire, deliver, store and set the price. My contention is that that principle is not a good one. I submit that the man who produces the goods should have an opportunity of expressing his opinion with regard to the disposal of his goods and with regard to the price he shall receive for them. I would point out that, so far as the voice of agriculture is concerned, it would seem to indicate that the principle of this bill is not acceptable, but that this other principle is acceptable.

Mr. GARDINER: That raises another question which I do not think is open for discussion at the moment, the question as to whether we are to submit another piece of legislation to this house. The farm organization did not at any time make any representation with regard to this legislation except to the effect that it was acceptable. I have here the submission made to the government asking for a national marketing act. In reply to the hon. member for Humboldt, who brought up the point, I would say that this legislation is not entitled "a marketing act."

Mr. DEPUTY SPEAKER: I would ask the minister to confine himself to the point of order.

Mr. GARDINER: I am going to confine myself to the point of order if the speech of the hon. member for Yale is in order. I said at the beginning that I doubted whether either of our speeches were in order.

Mr. COLDWELL: I submit that these are not effective words on the point of order.

Mr. GARDINER: This submission states that a dominion farm products marketing act is essential to the economic welfare of agriculture, the basic industry of Canada. It states further, in effect, the authority and control which would be provided if such legislation were established and employed by the dominion government during the war years and subsequently as emergency measures in order to secure maximum production and efficient distribution for the purpose of fulfilling overseas commitments and contracts.

In other words, the suggestion is that we should have a marketing act which would contain the same provisions for doing with regard to the marketing of all farm products what was provided for with regard to some products in the orders in council during the war. This bill—and this was embodied in the reply quoted a few moments ago which I gave to the farm movement—does continue in existence the orders in council which were brought into effect during the war to set up boards to secure commodities under agreement to Britain. The only additional power contained in this bill, and purposely so, is the power which we had under another order in council to deal with apples. That power has been brought into the bill to enable us to deal under this measure with everything with which we were dealing in war time. I submit that it would be impossible to deal with them in any other way, because there are not set up in the provinces boards through which we could proceed immediately to get the commodities we must necessarily obtain to fulfil our contracts.

Mr. STIRLING: The federation at that time had not seen this bill, had they?

Mr. GARDINER: I should not like to answer that question.

Mr. STIRLING: Then, Mr. Speaker, I must ask the minister a further question. Had the Canadian Federation of Agriculture at the time to which he is referring seen Bill No. 25, which only appeared before us on the evening of the day of the interview to which I think the minister is now referring. The minister is referring to the first of the interviews that were had, to what he described as the submission.

Mr. COLDWELL: Mr. Speaker, I rise to a point of order. Are we discussing your ruling, or are we in committee?

Mr. DEPUTY SPEAKER: I think the point of order raised by the hon. member for Rosetown-Biggar (Mr. Coldwell) is well taken, but I would point out that there cannot be a point of order raised on a point of order. The hon. member has drawn my attention to the fact that we should be discussing the point of order. The question which concerned me was whether or not the amendment declares a principle which is adverse to the principle of the bill. I noted the remarks of the hon. member for Yale (Mr. Stirling) as to his opposition to the principle of the bill, but I am not so sure that his amendment sets forth a different principle. Before the Minister of Agriculture rose I was giving consideration to the question which the hon. member has brought before the house, and it did occur to me that the amendment affected only one clause of the bill, clause 4, and that the bill could be amended in committee by an amendment to clause 4.

Mr. SENN: Mr. Speaker, the chief difference I see between the bill and the amendment is that the amendment would make the use of producer boards obligatory, while the bill itself makes it optional with the minister whether they shall be used or not.

Mr. DEPUTY SPEAKER: Perhaps the hon. member for Haldimand (Mr. Senn) is right and, if he is right, it again occurs to me that the amendment could be made when the bill is in committee.

Mr. FULTON: Speaking to the point of order, Mr. Speaker, I would suggest that if that is the case it would mean that an amendment to be moved in committee would affect the very principle of the bill itself, because the amendment would practically involve the elimination of clause 3, which is half the principle of the bill. Clause 3 makes the minister the sole one to determine price and quantity. Under clause 4 there is the possibility that he may use the boards for certain purposes. But the resolution embodied the principle that producer boards should be used for all these purposes, including the setting of prices and dealing with quantities. Therefore it seems to me that the amendment involves a definite departure in principle when it says that producer boards shall be used, for in clause 3 of the bill the minister is made the sole agent to determine these matters. It seems to me to be clearly a question of principle.

Mr. GARDINER: That is not what clause 3 says. It says the governor in council.

Mr. FULTON: My reading of clause 3 is that the minister sells on behalf of the Canadian government and buys on behalf of foreign governments and enters into contracts for the storing and processing of agricultural products.

Mr. GARDINER: Subject to any regulations made by the governor in council.

Mr. FULTON: Well, the minister or the governor in council; at all events it is the cabinet authority, and certainly not producer boards. That is one-half of the main principle of the bill and it is diametrically opposed to the principle of the amendment moved by the hon. member for Yale.

Mr. DEPUTY SPEAKER: I have listened attentively to what has been said both for and against the amendment being in order. I would refer hon. members to Beauchesne's Parliamentary Rules and Forms, Third Edition, paragraph 755, which says in part:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill to move as an amendment . . . a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill.

The amendment before the house does not, in my opinion, set forth a principle adverse to the principle set forth in the bill but sets forth a different method of putting the principle of the bill into effect. The object of the amendment could be obtained just as well by amending a certain clause in committee.

Mr. FULTON: You would have to amend two clauses.

Mr. DEPUTY SPEAKER: Perhaps two or more clauses. For these reasons I declare the amendment out of order.

Mr. STIRLING: Mr. Speaker, as I said a moment ago it is clearly a question of opinion as to what is the principle of the bill. We differ so much from Your Honour's view as to what the principle of the bill is that I must respectfully appeal from your ruling.

Mr. SPEAKER put the question as follows: The question before the house is an appeal from the ruling given by the Speaker. Bill No. 25, to provide for the sale and export of agricultural products was before the house for second reading. Mr. Stirling moved, seconded by Mr. Charlton:

That the said bill be not now read the second time, but that it be resolved that an Agricultural Products Act should be based on the principle that producer boards, set up under provincial marketing acts, where such boards exist or as they may from time to time come into existence, be used for the purposes of such agricultural products act, instead of commodity boards established by the minister under section four of the said bill.

This amendment was declared out of order on the ground that it was not declaratory of any principle adverse to the principle of the bill, and further that it dealt with a matter which could be considered when the bill is in committee of the whole.

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

YEAS

Messrs:

Abbott	Grant
Arsenault	Hansell
Baker	Hlynka
Beaudoin	Howe
Belzile	Ilsley
Bertrand (Laurier)	Isnor
Bertrand (Prescott)	Jean
Bertrand (Terrebonne)	Johnston
Blackmore	Jutras
Bourget	Kirk
Bradette	LaCroix
Bridges	Lafontaine
Brown	Lalonde
Brunelle	Langlois
Chevrier	Leger
Cleaver	Lesage
Cloutier	Low
Coté (Matapedia-Matane)	McCann
	McCulloch (Pictou)
Coté (St. Johns-Iberville-Napierville)	Macdonald (Brantford City)
Coté (Verdun)	McDonald (Parry Sound)
Dechene	McGarry
Denis	McIlraith
Dion (Lake St. John-Roberval)	McIvor
Douglas	Mackenzie
Dubois	MacKinnon
Emmerson	MacLean
Fournier (Maisonneuve-Rosemont)	MacNaught
	Maloney
Gardiner	Marier
Gauthier (Portneuf)	Marquis
Gibson (Comox-Alberni)	Martin
	Matthews (Brandon)
Gibson (Hamilton West)	Maybank
	Mayhew
Gladstone	Mitchell
Glen	Mullins
Golding	Mutch
Gour (Russell)	Quelch
Reid	Tremblay
Richard (Ottawa East)	Tucker
	Viau
Rinfret	Warren
Shaw	Weir
Sinnott	Whitman
Smith (York North)	Winkler
Stuart (Charlotte)	Winters—89.

NAYS

Messrs:

Archibald	Homuth
Argue	Irvine
Barrett	Jaenicke
Bentley	Knight
Black (Cumberland)	Lennard
Bowerman	McCullough (Assiniboia)
Bradshaw	
Brooks	Macdonnell (Muskoka-Ontario)
Bryce	
Burton	MacInnis
Campbell	MacNicol
Case	Manross
Casselman	Matthews (Kootenay East)
Castleden	
Charlton	Menary
Church	Merritt
Cockeram	Miller
Coldwell	Moore
Coyle	Nicholson
Cruickshank	Pearkes
Daniel	Probe
Diefenbaker	Ross (Souris)
Drope	Senn
Fleming	Smith (Calgary West)
Fraser	Stephenson
Fulton	Stirling
Gillis	Strum, Mrs.
Hackett	Thatcher
Harkness	Timmins
Hazen	Townley-Smith
Henderson	Wright
Hodgson	Zaplitny—61.

Mr. HERRIDGE: I was paired with the hon. member for Vancouver North (Mr. Sinclair). Had I voted, I would have voted against the Speaker's ruling.

Mr. ASHBY: I was not paired with any hon. member of the house. Had I voted, I would have voted either for or against your ruling, Mr. Speaker. It would not have made the slightest difference to anybody anyway.

(Translation):

Mr. HEON: I was paired with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme). Had I voted, I would most reluctantly, as you can readily understand, have voted against your ruling, Mr. Speaker.

(Text):

Mr. CARDIFF: I was paired with the hon. member for Chateauguay-Huntingdon (Mr. Black). Had I voted, I would have voted against your ruling.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted, I would have had to vote against your ruling, Mr. Speaker.

(Translation):

Mr. GAGNON: Mr. Speaker, I was paired with the hon. member for Sherbrooke (Mr. Gingues). Otherwise I would have voted against Your Honour's ruling.

(Text):

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, on the second reading of this bill I should like to quote a few words written by a member of the wheat pool and found in the *Agricultural Institute Review* of September, 1945, at page 28:

> With the floor price legislation proposed we now have two opposing policies offered to Canadian agriculture for the post war years. The first policy is the laissez-faire, do nothing, take it on the chin, rugged individualistic stupidity we have experienced in the past, and under which, when the depression becomes too severe, we unfortunately have a war to pull us out of the economic mess.

I think, after the vote that was taken last night, we can take it for granted that there are only seven members of this house who believe in that type of policy. In considering this bill which the Minister of Agriculture (Mr. Gardiner) has placed before the house today, I think hon. members are anxious to try to get the best bill they can for agriculture in this transitional period and for the years to come.

Therefore I think anything said in this discussion can be taken as an honest effort on the part of hon. members to create better conditions for the industry of agriculture in this country.

As to the principle of the bill, I do not think much exception can be taken to it; at least we in this group take no exception to it. However, we believe that principle cannot be carried into effect by the bill in its present form, since it is merely to cover a transitional period. As yet no one has been able to define what that transitional period is. I can remember quite well coming back after the first war and taking up land under the soldier settlement board. I remember the drop in prices of agricultural products which took place in 1921, and then the gradual rise from 1924 to 1928. We thought we were through with the transitional period by that time; we thought we had got over the effects of that war. In the latter part of 1928 and in 1929, however, we found we had only begun to feel the effects of the war. Today how can we judge what will be the transitional period? Is this bill constitutional? If a case is taken to the courts in a year or two from now, will the courts decide that we are still in a transitional period? I do not know, and I do not believe the minister knows. Therefore I believe this bill should do more than just carry on certain orders in council during the transitional period. It should give some stability to agriculture in this country. I know of cooperatives in the old country who wish to establish purchasing agencies in this country, who would like to start to build up business contacts here, but who are doubtful, under this transitional form of legislation that has been introduced in Canada with respect to the marketing of agricultural products, whether it would be advisable for them to make the necessary investments here, not knowing just how long we might carry on under our present forms of marketing. Therefore, instead of bringing in this order in council legislation, which is about what it amounts to, I think the government should have brought in something more definite and more permanent, which would give the necessary assurance of stability to our agricultural industry at the present time.

As to our floor price legislation, we do not know where the floor prices are to be set. They may be fixed at a level which will give a reasonable return to agriculture, and again they may not. When the floor price legislation was introduced the Minister of Agriculture had this to say, as reported at page 5612 of *Hansard* for 1944:

> Then I should say it would be unfair to the farmer immediately to require him to sell at the cost of production, without considering at all any losses he sustained because of the war or any returns he was denied through the controls established during the war. The suggestion was made that farmers had been denied returns in the earlier part of the war and that just at the time when in the ordinary course of events, according to the experiences of the last war, he would have reaped some returns which would have been helpful to him, ceilings were placed upon prices, as a result of which he was denied as great a return as otherwise he might have received. All those matters would have to be taken into consideration during the transition period along the lines I have suggested.

In this legislation there is no indication that this will be done; that is why I feel the bill should be more definite. That is why the hon. member for Humboldt (Mr. Burton) moved his amendment, which did add certain new principles to the bill. That amendment was ruled out of order because it deleted the Conservative amendment. Now that the Conservative amendment has been ruled out of order, I believe our amendment will be in order. I therefore move, seconded by the hon. member for Qu'Appelle (Mrs. Strum):

> That this bill be not now read a second time but that it be resolved that in the opinion of

this house the government should give consideration to the redrafting of this bill to make provision for:

(a) A dominion marketing board to have control over the orderly marketing of any farm product in interprovincial trade within Canada and in export trade;

(b) Authority to confer on any existing local marketing board or agency established under law of a province, power to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade;

(c) The establishment where any provincial local marketing board or agency does not exist, of local marketing boards to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade, providing the establishment of such a board, is favoured by a majority of the producers in the area concerned, the membership of such a board to consist of producers of the regulated product in the area to which this scheme relates.

This amendment has two purposes, the first of which is to see that the bill covers interprovincial trade. The bill, as it was presented by the minister, contained no reference to interprovincial trade, except in the amendment he tabled last evening. That amendment refers to one specific product, but that is not sufficient to meet the needs of agriculture in Canada at the present time. That was the statement made by the Canadian Federation of Agriculture at their recent meeting in Ottawa. I have in my hand, their brief, in which they say this interprovincial provision is necessary in connection with beans, peas, milk and a great many other agricultural products where small groups of growers, perhaps not more than five or ten per cent of the total number, were marketing their products outside the province and thereby spoiling the work of the commodity board controlling the product within the province. So I believe that provision should be extended, by concurrent legislation or, if the dominion has the power, by the dominion transferring that power to the provincial board in some way, to prevent this interference with the work of provincial boards in the marketing of their products. I am not a lawyer; I do not know where the constitutional authority lies, but I know that either the province or the dominion must have it, because the dominion has any residue of powers not given to the provinces. Therefore the federal government should be able to eliminate this difficulty which the provincial boards are meeting at this time. If it can be done with regard to apples, which from the amendment introduced by the minister I judge it is proposed to do, I see no reason why it cannot be done in connection with other products as well, and I believe the act should say so clearly.

The other point in which this amendment differs from the bill is that we state definitely that the boards set up under this legislation will be producer boards, that the growers of the product within the area in which the board is set up shall compose the board. That can be varied; if a majority of the producers wish to elect someone else to the board, well and good, but certainly the producers themselves should have control over the local marketing boards. That is a democratic principle which we cannot get away from, and something which should be included in the legislation. This legislation can never work successfully until it has the full cooperation of the producers of the product to be controlled. It goes without saying that a thousand ways would be found of getting away from the regulations and orders of the board, if the producers themselves are not behind it.

We think the only way the producer can or will be 100 per cent, or to any appreciable percentage, behind the scheme, is by seeing that the local boards are under their control. That has been the policy of this group for many years. We say that the producers themselves should have the domestic control of their product. When it comes to a matter of exporting, where the producers themselves go into the export market; and where products are being produced in different provinces, that is the place where the dominion government should step in, coordinate the work and see that the exporting is done on the basis of the Canadian economy, and not on the basis of provincial economy.

Those are the reasons why we move the amendments. We think they are good amendments, and we say they should have the support of the house. I say the Minister of Agriculture on behalf of the government should be prepared to accept such a reasonable proposal, which is in the interests of agriculture in Canada.

Mr. CRUICKSHANK: May I ask a question? Does the amendment coincide or agree with that offered by the Canadian Federation of Agriculture? It will be understood I am not speaking against it. I ask this question because I am particularly in favour of marketing legislation. But I do not think that by your amendment or by any other amendment we can gain the point you and I wish to gain for our farmers, if it is to be declared ultra vires, as it has been in the past. Has the hon. member's amendment been submitted to someone?

Mr. WRIGHT: Our amendment has not been submitted to anyone, except our own group.

Mr. CRUICKSHANK: Does it conform with the suggestion of the Canadian Federation of Agriculture?

Mr. WRIGHT: Yes.

Mr. CRUICKSHANK: Their suggestion has been submitted?

Mr. WRIGHT: Yes; it conforms closely to what is stated in the draft bill submitted by the Canadian Federation of Agriculture. I believe all hon. members have copies of that draft bill, and these amendments of ours follow pretty much along the same line. Of course the bill suggested by the Canadian Federation of Agriculture goes much further. They want a natural products marketing act. We are trying to amend this measure. We have no indication from the government that they have any intention of bringing in a natural products marketing act. But we are trying to see that this measure is amended at least to the point where it will permit orderly marketing interprovincially and in export trade.

Mr. CRUICKSHANK: I should like to ask another question. Unfortunately, because of an appointment with a doctor I was not able to be here this afternoon, and I did not hear the discussion. I am particularly interested in the orderly marketing of milk. The only way we can attain that in British Columbia is by pooling. Therefore I am interested in learning if the suggested amendment embraces that feature. I do not think the hon. member would expect me to take in, in a minute. the full meaning of the amendment. That is why I have asked particularly how it compares with the bill offered by the Canadian Federation of Agriculture.

Mr. WRIGHT: It would apply to any agricultural products which under the bill were declared to be products which they wish to control.

Mr. CRUICKSHANK: The majority of them.

Mr. WRIGHT: Yes.

Mr. SPEAKER: I would call the attention of hon. members to standing order 75, and to citation 755 which states:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill to move as an amendment to the question a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill.

I am sorry, but I have to declare the amendment out of order.

Mr. COLDWELL: Just a minute; before Your Honour rules, may I point out that the amendment now moved is in a position somewhat different from that moved by the hon. member for Yale, although I believed at the time that his amendment was in order.

It seems to me that this amendment does exactly what the rule provides, where it states:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question a resolution declaratory of some principle adverse to, or differing from the principles, policy, or provisions of the bill.

If we look at the bill before us, which relates to the marketing of certain agricultural products, it will be seen that it relates to the marketing of those products under, as the title indicates, an act to provide for the sale and export of agricultural products. Then, when we look further into the bill we find that the reason for bringing it before the house at the present time is that there are certain agreements which make it necessary for us to have a measure of this description.

We want to see something wider and more comprehensive, because we consider it imperative that there be a measure of that kind. We should like to see a natural products marketing act, one which would be entirely comprehensive and along the lines of the draft submitted by the Canadian Federation of Agriculture. Consequently, because we cannot introduce such a bill, we are endeavouring to state our position in regard to this matter in a manner which we believe is permitted by the rules, and entirely consistent with them. We have suggested a federal act providing for interprovincial trade and for export trade, all under the control of the producers of a given commodity in the area where that commodity is produced. And if a majority of the producers agree to that, we suggest that such a plan shall go into effect. That principle, I submit, is entirely in conformity with the rules, in that it declares some principle adverse to or differing from the principles, policy or provisions of the bill now before us. For these reasons I submit the amendment is in order.

Mr. WRIGHT: On the point of order, Your Honour has said it is permissible to amend where an addition is made. The bill states definitely that apples shall be controlled interprovincially. My amendment enlarges that so as to include all agricultural products. Therefore it is an addition.

Mr. SPEAKER: I am sorry, but the hon. member is out of order. There is no point of order before the house. I must declare the amendment out of order, and for the same reasons as I gave in respect of the one moved by the official opposition, namely that it was

not declaratory of any principle adverse to the principle of the bill. Further it deals with a matter which could be considered when the bill is in committee of the whole. I would draw the attention of the house to the fact that this ruling is similar to the one which I gave in connection with a previous amendment and which was sustained by the house a few minutes ago.

Mr. COLDWELL: Is that your ruling?

Mr. SPEAKER: I declare the amendment out of order.

Mr. COLDWELL: I hesitate to do so, but with all due respect I must challenge that ruling.

Mr. SPEAKER put the question as follows:

The house was considering the second reading of Bill No. 25, to provide for the sale and export of agricultural products. The hon. member for Melfort (Mr. Wright), seconded by the hon. member for Qu'Appelle (Mrs. Strum), moved in amendment:

That this bill be not now read a second time but that it be resolved that in the opinion of this house the government should give consideration to the redrafting of this bill to make provision for:

(a) A dominion marketing board to have control over the orderly marketing of any farm product in interprovincial trade within Canada and in export trade;

(b) Authority to confer on any existing local marketing board or agency established under law of a province, power to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade;

(c) The establishment where any provincial local marketing board or agency does not exist, of local marketing boards to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade, providing the establishment of such a board, is favoured by a majority of the producers in the area concerned, the membership of such a board to consist of producers of the regulated product in the area to which this scheme relates.

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

YEAS

Messrs:

Abbott
Arsenault
Baker
Beaudoin
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Yukon)
Bourget
Bradette
Bridges
Brown
Brunelle
Case
Chevrier
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Daniel
Dechene
Denis
Dion (Lake St. John-Roberval)
Douglas
Emmerson
Farquhar
Fournier (Maisonneuve-Rosemont)
Gardiner
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gladstone
Glen
Golding
Gour (Russell)
Grant
Howe
Ilsley
Isnor
Jutras
Kirk
LaCroix
Lafontaine
Lalonde
Langlois
Leger
Lesage
McCann
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McGarry
McIlraith
McIvor
Mackenzie
MacKinnon
MacLean
MacNaught
Marier
Marquis
Martin
Matthews (Brandon)
Maybank
Mayhew
Mitchell
Mullins
Mutch
Reid
Richard (Ottawa East)
Rinfret
Sinnott
Smith (York North)
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters—82.

NAYS

Messrs:

Archibald
Argue
Ashby
Barrett
Bentley
Black (Cumberland)
Blackmore
Boucher
Bowerman
Bradshaw
Brooks
Bryce
Burton
Campbell
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Cruickshank
Diefenbaker
Fair
Fleming
Fraser
Fulton
Gillis
Hansell
Harkness
Hazen
Henderson
Hlynka
Hodgson
Irvine
Jaenicke
Johnston
Knight
Lennard
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
MacInnis
MacNicol
Manross
Marshall
Matthews (Kootenay East)
Menary
Merritt
Miller
Moore
Nicholson
Pearkes
Probe
Quelch
Ross (Souris)
Senn
Shaw
Smith (Calgary West)
Stephenson
Stewart (Winnipeg North)
Stirling
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Wright
Zaplitny—69.

Mr. HERRIDGE: I was paired with the hon. member for Vancouver North (Mr. Sinclair). Had I voted, I would have voted against sustaining Your Honour's ruling.

Mr HEON: I was paired with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme). Had I voted, if for no other reason than that the only lady in the house seconded the amendment, I would have voted against Your Honour's decision.

Mr. JAQUES: Mr. Speaker, I was paired with the hon. member for Richelieu-Vercheres (Mr. Cournoyer). Had I voted, I would have voted to sustain your ruling.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. J. A. CHARLTON (Brant): At this stage of the discussion it is difficult for me to understand the attitude taken by the C.C.F. party toward this bill, particularly in view of the statements which were made in the house two weeks ago and which I shall quote. I said that my interpretation of what the Canadian Federation of Agriculture wanted was not government control of marketing but enabling legislation by which they could control their own markets. That was the statement I made two weeks ago. The hon. member for Melfort (Mr. Wright) and the hon. member for Qu'Appelle (Mrs. Strum) both took me seriously to task on that statement. I do not think it is necessary for me to quote very much, but I wish to quote some of the remarks of the hon. member for Melfort.

Mr. SPEAKER: Order.

Mr. CHARLTON: The hon. member for Melfort said, as reported at page 869 of *Hansard*:

> Having listened to the hon. member for Brant (Mr. Charlton), may I say I think he will find, when the recommendations are presented to the government—

Mr. SPEAKER: Order. I must remind the hon. member that he is not permitted to discuss a bill which has already been passed by the house.

Mr. CHARLTON: Then, in my own words, both the hon. member for Melfort and the hon. member for Qu'Appelle said I was wrong in my statement. In spite of that, they moved an amendment which is practically identical to ours, saying, in effect, that they do not want the government to control the Agricultural Products Marketing Act. They say that they want the same thing as we do, practically, namely, that the farmers should be permitted to control the sale of their own products. I do not know when this change came about, but apparently it has been quite recent. Whether or not it is a case of their trying to follow the demands of the Canadian Federation of Agriculture, I do not know and I should not like to say. Nobody can accuse me of changing my mind in the house in that regard. I have been definite at any time that I have said anything on it. I am not in favour of government control. If there has to be any control, then the farmers should be allowed to control their own destiny.

So far as this bill is concerned, there is no doubt in my mind, although I may not be able to read into it what the minister can read in it, that it is purely and simply government control of farm products. Evidently the minister himself can read into the bill what was asked for in the amendment which we moved; but it is not there for me to see. There are too many "mays" in the thing for me to take it at its face value. Surely the minister does not think the farmers of Canada are so helpless that they cannot run their own business. At least I hope he does not think so. When given half a chance they have done not a bad job in the past, except during the depression, which was not their fault.

Contrary to the statement of the minister as recorded on page 937 of *Hansard*, this bill does not give the Canadian Federation of Agriculture what they have asked for; hence by our amendment today we endeavoured to point out to the government that the producer boards as set up under the provincial marketing acts should be allowed to conduct their own business, instead of having it done for them by government controlled commodities boards, as set forth in the bill.

I should like to quote a portion of Mr. Hannam's address which has been referred to often in the house. The meeting was held in Ottawa at the Chateau Laurier on February 26 of this year. This is just part of what he said, in speaking of the type of marketing for which they were asking:

> This type of marketing is midway between state marketing such as the Canadian wheat board, and purely voluntary associations of farmers for marketing purposes. Instead of state marketing with state regulations, state financing and state management, we are asking the state to give groups of producers a chance to do their own marketing. It is essentially a self-help procedure.

The minister may say that the farmers of Ontario may not want this. To prove that the farmers of Ontario do want it, they have set up the following schemes under the provincial marketing act: cheese; asparagus growers; pear, plum and cheery growers; peach growers; vegetable growers; including tomatoes, green peas, sweet corn and green or waxed beans. They have a seed corn growers association; a sugar beet growers marketing scheme; a berry growers marketing scheme, and the last, a hog producers marketing scheme. During the next month or so I believe there are three or more to be voted on, which include cream producers, grape and soya bean producers. I contend that the producer himself as represented by the producers boards should have some consideration when prices are being fixed by contract for the products which he produces, under this bill. As it stands, the minister seeks the authority to make contracts either with government or government agencies or agencies of any kind to fix the prices and actually to confiscate, seize or, in any way he so desires, to get hold of that product to fulfil such contracts at a price fixed by the minister himself.

As I said before, the minister may be able to read into this bill certain things that are not clear to us. I hope he can; I hope he does that, but it is not satisfactory to us. He says, it is there and he can use it if he wants to. We want to make it definite that it will be used and not left to the discretion of the minister as to whether he will use it or not.

During the war years the farmers accepted controls as part of their war effort; but now that controls are being lifted on many of the articles the farmers buy, they are being asked to accept the maintenance of controls by the government on the produce they have to sell. As I said before, if we must have controls, let the farmers themselves do the controlling. I think they are the people who should do the controlling, if there is to be any control. I can assure you, sir, that it would be much more conducive to good will and understanding among governments, producers and consumers if this were done. If this bill is an indication of what the government's agricultural policy might be, it is only fair to warn the government that there will be a greater number of farm sales in the country and a good many more acres of good soil lying idle in the next few years.

The producers of Canada are now being asked to produce and deliver to Great Britain many products at prices which are less than the English farmer himself is obtaining for those products. I am not saying that we should not supply those products to England at the prices at which we are supplying them, for the sake of the British people. But if Canada wants to do that—and it is a wonderful gesture on the part of Canada—let the Canadian people as a whole bear the burden and not the farmers alone. I believe the farmers have always accepted their share of responsibilities without receiving a fair share of the returns from their product. I believe this bill discounts the ability of the organized farmers to bargain for themselves. It obviously does that. It is easy enough for government officials to sit back and say what is best for us; but I believe the producers themselves, if given the opportunity, are quite capable of doing a worth-while job for themselves, for the consumers of this country and for the world at large. I would therefore strongly urge that the government give every consideration to the wishes of the Canadian Federation of Agriculture and allow them the privilege of doing their own marketing.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, after having listened to the hon. member for Brant (Mr. Charlton) speaking earlier this session, I am rather at a loss to understand why he voted as he did last night. When the vote was taken on the wheat board bill there were seven members who rose in their places in this house and expressed opinions along lines similar to those expressed by the hon. member who has just spoken. But I notice that the hon. member for Brant was one of those who voted with the 171 C.C.F. and other members of this chamber, indicating that they felt that this bill which has been before the house for some time was a step in the right direction.

I think it is well recognized that the farmers are not asking for any special consideration when they seek legislation of this sort. The hon. member for Brant comes from a part of Canada which has benefited for a great number of years from class legislation which was imposed by this parliament. I happened to look up the Saskatchewan brief which was presented to the Sirois-Rowell commission a few years ago, which tells the story of what the tariffs in Canada have meant to my friend, the hon. member for Brant, and what they have meant to the people I represent. Over a period of years the people of Saskatchewan, according to the statistical work done by the late Norman Rogers, who was a professor at Queen's, the tariffs have cost the people of Saskatchewan approximately $29,000,000 a year; the people of Manitoba, $29,000,000, and the people of Alberta, $27,000,000. Two provinces in Canada have benefited from those tariffs. The province of Quebec has benefited

to the tune of $11.03 per person per year and Ontario to the tune of $15 per person per year.

An hon. MEMBER: I did not get my share.

Mr. NICHOLSON: You probably represent people who have had a great deal more than that. I think there was justification in the early days in Canadian history for deciding that it was important that we establish industries in Canada; and we have taken a great deal of money from the rank and file of the people to bolster up the poor manufacturers in Ontario and Quebec.

Mr. HOMUTH: How are your socialized industries in Saskatchewan doing?

Mr. NICHOLSON: They are doing very well, thank you. The situation in which Canadians now find themselves is that we are bound to play an important part in supplying food to countries which have been ravaged by war and countries which have been denied the technical and industrial achievements which have been ours for many years. I am sure we are all very proud of the fact that Canada is recognizing that we have a responsibility to see that the great resources of this country are not regarded as the sole right of the eleven and a half million people who are here and to see that the people in Great Britain are able to get foods at the present time when they probably would not be able to buy if we insisted on a gold settlement or cash on the barrel-head. In view of the position in which Canadians find themselves as a result of the war, and the position in which the British people find themselves, I think it ill becomes us to complain about the terms on which we have supplied food to Great Britain. As a member of the food and agriculture organization, we are committed to go along with other nations in trying to solve this important problem of having enough food so that there will be no one anywhere in the world who is compelled to go day after day without having enough food to eat. In the proposals for a world food board as suggested in Washington in July of last year, mention is made that the farmers themselves who produce the foods in most countries find themselves in the position where they have not been able to realize enough from the sale of the foodstuffs so that they can consume enough; and it was agreed that some techniques must be discovered so that those disabilities might disappear. One of the paragraphs in this publication "Proposals for a World Food Board", on page 4, reads as follows:

[Mr. Nicholson.]

While many farmers of exceptional ability, including foresight in predicting price changes, are prosperous over a series of years, the vast majority of food producers have a lower net income and a lower standard of living than men of equal skill in other industries. It has long been recognized that the primary producer does not get a share of the world's total wealth commensurate with the proportion he creates. This is not only a social injustice; it is an economic problem because the low purchasing power of food producers is a limiting factor in the market for industrial products. In turn, limitation of industrial prosperity and hence of the purchasing power of industrial producers limits the market for agricultural products . . .

In the United States of America in the first year after world war I industrial production was seventeen per cent above the level of the last pre-war year. When the shortage caused by the war was made good, markets could not absorb output, and within two years thirty-one per cent of the factory workers were unemployed. The economic demand for foodstuffs fell and brought about a drastic fall in prices. The average annual income per farm fell in two years from $1,360 to $466. Other highly industrialized countries found themselves in the same position . . .

Canada is in even a worse position.

If I might refer again to the evidence given before the Rowell-Sirois commission, agricultural income in 1926 was $728,000,000, and by 1932 it had dropped to $144,000,000. Picture yourself as a farmer in Canada. You find that through no fault of your own, as a result of world conditions and a so-called depression, your cash income has slumped from $728 to $144. Of course the area which suffered the worst impact of the depression was the prairie provinces. In Saskatchewan, for example, the net income dropped from $203,000,000 to $31,800,000, and the farmers were in a difficult position.

Therefore I think it is only reasonable to argue that the citizens of the country as a whole should be prepared to take a long view of the problem of marketing. There is no good reason why a bushel of wheat should be worth $2 this year and fifty cents next year. There is no reason why it should be worth $1 today, $1.25 tomorrow, and seventy-five cents the day after. As long as I can remember, producers of farm products in all parts of Canada have been at the mercy of fluctuating prices, so that from one year to another they could never be sure what their income would be. While the farmers have made a great deal of progress in solving their own problems, and while they are a capable group, I believe they are not unreasonable in asking that the state as a whole set up machinery to guarantee that prices will not fall below certain levels and that speculators will not be able to come between producer and consumer and skim off the cream. All Saskatchewan

members are familiar with one of the strongest cooperative farm organizations in Canada, and indeed on this continent; that is, the wheat pool. We made a great deal of progress; but when the collapse in prices came in 1928 and 1929 both Liberal and Conservative governments recognized that the consequences of the collapse affected the whole people, and dominion and provincial governments did interest themselves to the extent of stepping into the picture. It is true that they came in late, and were not very generous, but they recognized that it was a national problem.

So I believe we are on sound ground now as we look forward to the transitional period. This afternoon the hon. member for Melfort (Mr. Wright) correctly mentioned that it is difficult to say just how long this transitional period may last. Following the war of 1914-18, Great Britain passed certain legislation dealing with rent control and housing, for the transitional period. That transitional period is not yet over. Many of those regulations have never been repealed; they are still in the transitional period which followed the war of 1914-18. So I believe the government should be coming to parliament with proposals for long-range marketing plans. It is obvious that you cannot go into dairying or wheat or potato growing on a week's notice, a month's notice, or even a year's notice.

If I would not be out of order I should like to quote from a speech made by the hon. member for Restigouche-Madawaska (Mr. Michaud) during the debate on the speech from the throne. The hon. gentleman was speaking for the potato growers in his constituency. It sounded like a C.C.F. speech, but it was not. He merely said there was something wrong with the set-up when the more potatoes you produced, the hungrier people were. Surely the eleven and a half million people of Canada can make plans that will assure us a marketing programme so that those who produce desirable foodstuffs can be assured that there will be a market; that apples will not be dumped in the beautiful valleys of the constituency represented by the hon. member for Yale (Mr. Stirling), when the people I represent cannot buy apples because the price of wheat is around nineteen or twenty cents a bushel at the elevator. We should be able to work out our own salvation in regard to these problems; but the apple producers, the wheat producers or the potato producers in any part of Canada do not have the facilities to determine the possible consumption at home and the demand abroad.

The fact that we are going to do it through the federal authorities does not make it less democratic. The potato producers are represented here in parliament. If at any time the Department of Agriculture or any boards created by this department try to impose improper regulations or conditions on the potato producers, they can get rid of the Minister of Agriculture or any government that fails to carry out a programme in the best interests of the people. I say we must keep in step with people in other countries throughout the world, who are looking to the future with a view to having different and better conditions than prevailed in the years before the war. During the meeting of the food and agriculture organization in Quebec, comments were made by some visitors to Canada which I think we might keep in mind. For example, Sir John Boyd Orr said that we were passing through the greatest crisis in the history of our civilization. This crisis has been brought about by the advance of science. These forces cannot be bottled up; either they must be harnessed to serve the ends of mankind, or they will break loose in a riot of destruction. He pointed out that, in FAO, governments have agreed to cooperate in a great world food scheme to bring freedom from want to all men regardless of race or colour. He believed that disease, misery and premature death can be replaced by health, happiness and life. Increased production of foods and prosperity for agriculture should follow. He thought that by cooperation in a world food scheme based upon the needs of mankind an atmosphere of international good will would develop. I suggest that legislation such as we have before us, if amended along the lines suggested by the hon. member for Melfort, would be a step in the right direction.

It is obvious that in its present form the bill has certain defects which should be remedied. The fact that the minister brought in an important amendment last evening suggests that some of the other producers in Canada who might be affected by this bill should be given an opportunity to come here and discuss the matter. So I should like to move, seconded by the hon. member for Selkirk (Mr. Bryce):

That all the words after the word "that" be struck out and the following substituted therefor:

"this bill be not now read a second time but that the subject matter thereof be referred to the committee on agriculture and colonization with instructions that they have power to recommend provision for

(1) The regulation of interprovincial trading;

(2) more democratic control by the producers of the proposed board or boards;

(3) a long-range marketing programme instead of a transitional programme."

Right Hon. J. G. GARDINER (Minister of Agriculture): Speaking to the amendment, Mr. Speaker, I should like to take a few minutes to point out some of the inconsistencies that are apparent in connection with the discussion which has been going on since this afternoon. Earlier in the session, when the provisions of other bills were before this house dealing with the orders in council which were utilized throughout the war for the purpose of doing things which neither this government nor any other government would desire to do in peace time, the position was strongly taken, particularly by the official opposition, that nothing new should be introduced into any of these bills. That is, we had orders in council which were passed for certain purposes under the War Measures Act, without in some instances having received first the assent of parliament to their being brought into effect. It was stated—and persistently—that in any legislation which was introduced, in order to make for a limited period of time those orders in council applicable to the transition period between war and peace, it was to be taken for granted that this house—and particularly members of the official opposition, in so far as they could prevent it, would not permit any new legislation being tacked on to any of the bills which were brought to the house in order to carry out the intent of making these orders in council applicable to the transition period.

Now we come to the House of Commons on this occasion, when the government has hesitated to put anything into this bill whatsoever which would be new legislation; we hesitated to the extent of not even providing for the marketing of apples under the agreements, through the fruit boards which have been set up by the provinces and organized nationally right across this country.

But in the discussions which took place in connection with the resolution, members in different parts of the house, and more particularly those of the official opposition, raised questions with regard to the fact that full provision was not made for that purpose in the bill. This warranted us in believing that the house would agree that to that extent we could depart from the general principle which was insisted upon in connection with all this legislation, and that we might bring into the legislation something which had not previously been provided for in the marketing of apples.

We have gone that far. I would say that the bill has introduced, in the slightest degree possible, some new ideas into the application of orders in council, for a limited period after the war is over.

[Mr. Nicholson.]

Mr. SENN: May I ask a question?

Mr. GARDINER: Yes.

Mr. SENN: Is it not so that rulings made this afternoon were to the effect that there was no new principle involved in the amendments?

Mr. GARDINER: I will come to that; but that is not the point I am referring to at the moment.

Now, members in speaking—and more particularly the hon. member who spoke first this evening—have taken the position that we should introduce into this legislation the whole marketing act which has been proposed by farm organizations. This afternoon the amendment which was proposed by the C.C.F. party could have been thrown out on a ground other than that stated by Mr. Speaker. That amendment provided for the setting up of a marketing board, such as is proposed in the model legislation which was presented to the government, and of which every member has a copy. It proposed the setting up of a model board to handle the marketing of farm products across Canada. That board is to be financed by the federal government. Of course it is obvious to hon. members that an amendment based upon that premise could not be introduced by a private member.

In other words, the proposals have been made to the house, from different parts of it, for the first time in this session, that in a type of legislation which has no other intent but that of providing for the application of orders in council for a period beyond the war, we should introduce all kinds of new things, and that we should apply it in any way that we see fit.

I do not think it would be proper to do that—even if the government desired to do so, any more than members of the official opposition thought at the beginning of this session it would be proper to do so. If and when legislation is brought down to deal with marketing on the basis suggested by the farm organizations, it should not be legislation which has in it provisions to deal with orders in council which were brought in during war time, which were applied during war time, and which are still being applied.

Why were these orders in council brought in, in the first instance? They were brought in so as to make it possible for the government, by compulsion, to take farm products and to send them to Great Britain for the purpose of assisting in the prosecution of the war, for the feeding of our own soldiers, for the feed-

ing of the British people; indeed, for the feeding of any of the allied forces wherever they might be fighting.

To indicate what we did do under that legislation, let me point out that we went into Ontario and into Quebec and took all the cheese produced between May and October, in two different years of the war; we took all of it, and shipped it to Great Britain. We did not leave any of it here, at all. And at other times we used the authority we had under the act to go into packing plants and take the bacon, and to say to our own people, "You can have in this country only fifty per cent of what you were buying in 1940. The remainder of it is going to Great Britain."

In other words, the orders in council covered by this legislation have in them powers which I doubt very much even members of the socialist party would desire to have in legislation which is to be passed for the purpose of dealing with a situation which will arise in peace time.

We are suggesting in this legislation that for one year we be given authority to continue to do what we were doing in war time. We are not saying that everything we did during war time will be done; but we are saying, or suggesting, that the authority we had during war time should be allowed to us for one more year.

Then I suggested, on the resolution, that in all probability because of the fact that our contract extends through 1947 and 1948—two of them at least through 1949—we shall be coming back to parliament at the end of each one of those years asking for a continuation of the powers as they are related to any of the contracts still in existence. I said, we presumed that, at the end of each of those years, if circumstances warranted it, parliament would give us that authority.

There are persons belonging to the same group who, in this house, ever since the session began, have been saying that these compulsory powers ought to be taken away from the government, and that we should not have them. Then we have the suggestion made tonight that this bill, which is intended to continue only for one year. with authority to come back here and remodel it in order to take care of anything still to be taken care of, should at this time provide for a permanent marketing organization. If it is to satisfy the farm organizations it could not be anything other than a permanent bill.

Mr. CHARLTON: But not by order in council.

Mr. GARDINER: You will find that most of these bills are put into effect by order in council. There is very little legislation put on the statute books at any time that any government has any authority over that is not put into effect by order in council. In every bill that goes through this house provision is made for the government to make regulations and to do certain things by order in council. And the same would be true of any bill that may be passed with relation to the marketing of farm products.

The point I wish to make at the present time is this. There are persons who have been talking against compulsion being put into any of these measures or authority given to the government to compel, and who at the same time are talking in favour of a bill which goes much farther in the direction of compulsion—I am not saying whether I am in favour of it or otherwise—than most of the measures that have been before this house. What does this proposed bill provide for? It provides that if the majority of the farmers producing any farm product decide that they want to market their product a certain way, then everyone else in that community must market his product in that way.

These orders in council have given the government authority to go into the market at Montreal and take cheese and send it to Great Britain. They give the government authority to go to the packing plants and take the bacon and send it to Britain and agree to pay what it is worth. We have had that authority throughout the war; we have had that authority in connection with practically all farm products, and that is provided under the orders in council. We are suggesting putting that into a bill.

But the proposed legislation says that wherever the majority of a group of farmers, locally if the organization is a local one, provincially if it is a provincial one, and nationally if it is a national one, vote in favour of marketing a product in a certain way, then everyone else may be compelled to market his product in that way. I do not know how you could carry compulsion much farther than that, or compulsion that strikes at the individual to a greater extent. Again I say that I am not arguing—it has nothing to do with this bill—whether that is a good thing or a bad thing, but I wish to point out that if this last amendment, which I have not had time to read, is in order and carries, and if the legislation is sent to a committee to be changed in the manner suggested in the amendment, then this legislation passes out altogether and we get a new bill.

That new bill will deal with the situation for all time to come until some other parliament changes it. It will not deal with

the situation with which this bill proposes to deal. This bill merely proposes to give us authority to go and get the food that is necessary to fulfil our obligations to Britain under the agreements which we have made during the last few years.

Mr. FULTON: And to set the price for all time.

Mr. GARDINER: Not for all time to come; for one year; to set the prices for those commodities in connection with which we have had agreements during the period of the war.

Mr. FULTON: And make new ones.

Mr. GARDINER: My hon. friend says, "and make new ones." He says that we shall have the power to make new ones. I have told the members of this house on a number of occasions that the government has no intention of making new ones—

Mr. REID: We need a new one for eggs.

Mr. GARDINER: Take eggs, which have just been mentioned. The hon. member for Kamloops has been saying in the house that we should have new terms in the agreement with regard to eggs.

Mr. FULTON: Or a subsidy; one or the other.

Mr. GARDINER: Either case would require new terms. He says that we should have new terms with regard to eggs, and to that extent it may be a new arrangement. We have an agreement with Britain to supply her with some millions of dozens of eggs. Hon. members have been getting up in different parts of the house, some of them supporters of the government and some of them opposing the government, and saying that because of the changes which have occurred in the cost of feed with which the eggs are fed we must have higher prices for eggs.

Mr. SMITH (Calgary West): With which the hens are fed.

Mr. GARDINER: With which the eggs are fed. If you have eaten some of them which have been fed by grasshoppers you will know what I mean. Eggs are fed with feed that has gone up in price; therefore they contend that eggs must also go up in price. They say that we must meet the British and discuss with them the possibility of getting a higher price for our eggs. To the extent that we get that higher price, of course the agreement which was made will be changed.

Then we are discovering from time to time that the production of one product is going up and that the production of another product is coming down, and we must adjust the quantities which we are supplying under our agreements and let the British know what we shall have for them in the months ahead. To the extent that those things are necessary, it will be necessary to change the agreements and to carry out the changes which are made.

The discussion this evening has been most interesting to me because it has taken a form which I never expected to have the privilege of listening to in this house, particularly as it comes from the sources from which it does. There are some advantages as well as some disadvantages in having been in politics in this country for a long time. It is now thirty-three years since I entered a legislature of this country. It just happens that I entered the legislature of a province which has led the Dominion of Canada in the kind of legislation which hon. members directly opposite from me were advocating a few moments ago.

An hon. MEMBER: It is doing so yet.

Mr. GARDINER: It led Canada to such an extent that my socialist friends claim credit for having done things which were done thirty years ago.

Mr. COLDWELL: No, we do not.

Mr. GARDINER: I attended a dinner recently—I cannot say where it was because that would give the individual away—and this particular individual told me that he had had a most interesting trip to Regina last summer. I said, "Yes, we have a fine city and a fine province; I am glad you liked it." He said, "I had the advantage of having a letter of introduction from the leader of the C.C.F. party to the premier of Saskatchewan and the premier introduced me to one of his ministers who took me out to show me all the things done by the socialist government in Saskatchewan." I was getting more and more interested all the time but I kept quiet.

Mr. COLDWELL: Is that possible?

Mr. WRIGHT: On a point of order—

Mr. GARDINER: The hon. member will have plenty to talk about when I get through. This gentleman went on to say, "The minister took me out and showed me that fine building which the wheat pool has on Albert street in Regina. Then he took me over and showed me the fine headquarters which the cooperative creameries have two or three blocks down the same street. Then he took me out to one of those things—what is it you call it, a dis-

tillery?" I said, "No, there is no distillery in Regina that I know of; was it a brewery?" First he said, "A distillery." I said, "No, there is not a distillery in Regina that I know of. Is it a brewery?" He said, "No." Finally he said that it was a refinery. I said, "Do you mean the farmers' cooperative oil refinery half a mile out of the city of Regina?" He said, "Yes." He went on to say, "Those are some very fine industries, very fine commercial organizations." When he had gone that far I thought it was time for me to say something, so I asked him, "Do you know how long they have had a socialist government in Saskatchewan?" He said, "No, I really do not." I said, "They have had one for two years, and do you know how long ago it was that the refinery was started?" He said, "No," and I said, "It was about twelve years ago." I went on to say, "Do you know how long ago it was that the cooperative elevator system in Saskatchewan was started?" He said, "No." I said, "It was almost thirty years ago." I went on to say, "Do you know how long ago it was that the cooperative creamery was started?" He said, "No." I said, "I have forgotten the exact year myself, but when I was first premier of Saskatchewan between 1926 and 1929 I had all the creameries in Saskatchewan amalgamated under that organization prior to 1929."

What I wish to emphasize is that the organization of the farmers to run their own business was never a part of Conservative policy, either federally or provincially. At the time we were advocating that the farmers run their own business and set up cooperatives with which to do so, the Conservative party in Manitoba, Saskatchewan and Alberta was advocating government ownership of elevators in the provinces.

Mr. SMITH (Calgary West): When and where?

Mr. GARDINER: My friend was a Liberal at that time, and so he would not remember.

Mr. SMITH (Calgary West): Thank heaven someone saw the light.

Mr. GARDINER: The Conservative party today may be surprised to learn that their forebears in the western provinces were advocates of government ownership, and they advocated government ownership because such a remarkable success had been made of government ownership of hydro electric power in Ontario. I was not at all surprised when Chancellor of the Exchequer Dalton, speaking at the Canadian club before Liberals and Conservatives a short time ago, said that he did not see why Conservatives in Great Britain should object to their government nationalizing the black power of Great Britain since the Conservatives had nationalized white power in the province of Ontario.

These are, of course, matters of political history. All I wish to point out is that when my hon. friends opposite set themselves up in this house as the advocates of a policy under which the farmers organized themselves to do their own business, they are advocating something which has been Liberal policy for at least the last thirty years and will continue to be Liberal policy as long as there is a Liberal party in this country.

On the other hand, our hon. friends of the socialist party are putting forth the best effort I have ever seen put forth by any party in any legislative body anywhere in Canada to do what? To kill this bill. Both amendments moved today would kill the bill. One was ruled out of order and the other, if it will be declared out of order—

Mr. COLDWELL: Did the minister say, "as it will be"?

Mr. GARDINER: If it will be. Let me say to my hon. friend that we did not suggest that the other amendment be declared out of order, but the fact is that either one of these amendments if put into effect would do away with this bill altogether and mean the bringing in of a new and entirely different bill.

Mr. COLDWELL: And a better bill.

Mr. GARDINER: It might be. But you should not do away with this bill while you are doing that. The better bill my hon. friend speaks of will not deal with the present situation and could not. I will explain why. There is only one board in this country which is organized on the basis that is suggested by the farmers across Canada, and that is the fruit board. The fruit board is organized provincially in Nova Scotia; it is organized provincially in British Columba; it is organized provincially in Ontario and elsewhere. It has a central organization which meets from time to time to discuss the problems of the industry and to submit its views on the apple industry to those concerned. There is no such organization as that in relation to bacon; there is no such organization as that in relation to cheese; there is no such organization as that in relation to eggs; and there is no such organization as that with regard to any farm product affected by the orders in council other than apples.

Therefore, if we were put in the position tomorrow of not having this bill so that we could go out and get farm products to supply the British contracts, of course we would not

be able to continue to supply those contracts. If we came to the middle of May, as has been suggested, or, as it stands now, if we come to the 29th of this month without the enactment of this legislation, we would have no authority to go out and obtain the products that are necessary to supply the British contracts in any of those commodities referred to in the orders in council. So I say, Mr. Speaker, the house seems to have got away from discussing what is involved in the second reading of this legislation and to have been discussing something that is not involved here at all. Hon. members have been discussing whether we should have a marketing bill for all time in the Dominion of Canada. I submit that that is not the question which is before the house and that all the discussion in regard to it is entirely out of order. There is no motion before the house with regard to a marketing bill for farm products. There is no possibility of changing this bill into a marketing bill without destroying the results which must be obtained if we are to supply the British contracts. There is no possibility of doing the one thing without destroying the other. Consequently, if we are to have both things done, they must be done in two separate bills, and an attempt should not be made to put the other project into this bill. The farm organization realized that when they brought their representations before the government. This afternoon I quoted from the representations which they had made. It was this:

(1) A dominion farm products marketing act is essential to the economic welfare of agriculture, the basic industry of Canada.

(2) In effect the authority and control which would be provided by such legislation were established and employed by the dominion government during the war years and subsequently as emergency measures in order to secure maximum production and efficient distribution for the purpose of fulfilling overseas commitments and contracts which had to be honoured.

They said that we had most if not all of the authorities under the orders in council passed during the war with regard to a certain number of products, but they applied only to a certain number; and they said that they wanted legislation which would apply the same authorities or the greater part of them to all farm commodities in Canada. Then they said they had a method to suggest by which that might be done.

(3) Such legislation will be a major factor in providing stability for agriculture through the medium of orderly marketing, domestic and export.

(4) Such legislation will conduce to proper planning by agriculturists over the time or period of years which their particular branch of primary production demands.

[Mr. Gardiner.]

Therefore be it resolved:

That this conference convened by the Canadian Federation of Agriculture with representatives of major agricultural organizations in attendance from all sections of the dominion ask that the directors of the Canadian Federation of Agriculture convey to the dominion cabinet the unanimous request of this meeting that legislation in line with the attached draft of a farm products marketing act, be introduced at the present session of parliament.

That is the submission made to the government. Attached to it is a model bill which provides for the authorities that I mentioned a few moments ago. It provides that this government set up a dominion marketing board; that we pay the costs of operating that board; that through the operation of the board we direct the activities of export and interprovincial trade in farm products along certain lines.

What was the answer given to that request? In 1939, the first month or so, of the war, the farm federation came to us with the same request. If I remember correctly, in 1939 there were only three or four provinces—I have forgotten the exact number—which had provincial marketing legislation. Since that time, all the provinces have adopted provincial marketing legislation. Nine provinces have set up legislation under which provincial marketing boards can be established. As every hon. member knows, the activities of the provincial marketing boards are confined to marketing within their own province. What is suggested is that we should set up a board which would take over the control of interprovincial and international marketing of farm products. When that suggestion was made in 1939 I made a statement to the farm federation at that time. The man who is president now was the president then. I said, "I am not prepared at this time, and the government is not prepared, to discuss with you the pros and cons of marketing legislation. We have just entered upon a war and that war makes it necessary for the government of Canada itself to set up boards to take control of the marketing of the farm products of Canada in order to ensure that our own people as well as our allies have the proper proportions of the food which is produced in this country and in order to induce greater production so that we may be able to feed greater numbers during this war period."

Of course the logic of that was agreed to by the farm organizations. From 1939 down to this year the organizations have not asked for that legislation. They have kept continuously reminding us of the fact that provincial legislation has been passed first by one province and then by another, and that

eventually they would be coming to Ottawa to ask for legislation. Personally I think this was the right year for them to come. This is the first year that we have been entirely away from the war in so far as shooting is concerned, but we have not yet got through the transitional period. The hon. member for Humboldt (Mr. Burton) wants to know when we are to get through it. Well, I will give him the same reply that I gave when the same question was asked—I am not too sure that it was not by the same hon. member—in 1944 when we brought in the legislation which is intended to take care of the transitional period. On that occasion I said that the transitional period of the first war did not really end until 1930, 1932 or 1933; that nobody could be absolutely certain when the transitional period will end. I went on to say that many people contended that it did end in five years; others contended that it did not end for twenty years, but someone will have to make a decision some time as to when the transitional period ends. We cannot do it now.

Some people have suggested that we put four years in the bill; some have suggested that we put five. We finally decided not to put a term of years in it at all. But I want to say quite candidly that if we can so regulate the marketing of farm products in this country as to give a proper deal to the farmers and to the consumers without applying the terms of the floor prices bill to too many products, then we hope to be able to do that. One of the ways in which we hope to be able to do it, is to retain, so long as it is essential to do so, the agreements with Britain which we have covering the marketing of farm products which we can see will be surplus for the years that are ahead of us that will assure to us the British market for the surplus production of farms in this country. Therefore we are asking at this time for authority to continue these agreements under this special legislation for at least one more year. At the end of that year we can come back and state what the conditions are and we shall probably ask for the continuance of it for another year. But if the times ever comes—and we hope it will not—when agreements such as we are now utilizing for the purpose of assisting farmers over the transitional period are not available to us at levels which make it possible for us to carry out our obligations to the farmers, then it will probably be necessary for us to make the floor prices legislation more widely applicable, and make those effective throughout the remainder of whatever the transitional period is.

I am not going to attempt to answer the question of the hon. member for Humboldt tonight as to how long the transitional period will last. I only know that it is still with us and, if I read correctly the discussions which took place not later than either this morning or yesterday, and which are reported in the papers tonight, on the floor of the House of Commons in Great Britain, then I am inclined to think the transitional period is still with us with a vengeance; because there are some people in the House of Commons in Great Britain who think the farmers of this country are making great profits at the expense of people who live in Great Britain. We have not realized that. We do not believe it. As a matter of fact, we think the farmers of this country are making a real contribution to the feeding of the British people, to the feeding of the European people and to the feeding of others who are short of food in different parts of the world. We feel that we are doing this at a less cost to the people concerned than they are being supplied from any other part of the world. That being so, I think it is time for someone to say that when a man stands up anywhere in the world and says that Canada is trying to make profits at the expense of someone else, either he is talking about something he does not know anything about or he is speaking with some intent other than that of serving the people of his own country.

This legislation is to deal, not necessarily with the whole transitional period but for a part of it; and the only part that we can say with definiteness at the moment that we hope it will continue in existence to deal with, is to take us through the bacon contracts which run to the end of 1949, to take us through the beef contracts which also run to the end of 1949; to take us through the contract on dairy products, which up to date runs us down to the end of the 1947-48 period, and which we expect will carry us on through a period similar to the other two contracts. We hope that a similar arrangement will be made with regard to apples; that by a cooperative arrangement between Great Britain and this country we shall be able to get reasonable returns, not necessarily as high returns as the farmer in Britain receives unit for unit of the different products produced in that country because their costs of production are not necessarily the same as ours—there are reasons why they are not—but will give us returns which bear a reasonable relationship to the prices which are being paid by the British to their

own people and a reasonable relationship to the prices which are being received by people in some of the other parts of the world.

May I say again that we have been carrying out that idea, that we have been supplying food to Britain at a lower cost—as every member in this house has been saying, some of them agreeing with it and some of them disagreeing—than other people in the world have been supplying it up to the present time. And I say quite candidly that we expect that over the entire period of the three or four years during which these contracts last we shall have a reasonable return as compared with other peoples in the world from that market which we believe to be our best market, our most secure market, and the one in which we have the best chance over a long period of time of being paid for our commodities.

Mr. SMITH (Calgary West): Does the minister include cattle in that?

Mr. GARDINER: Yes.

Mr. SMITH (Calgary West): The other night the minister said that the United States was our natural and best market.

Mr. GARDINER: Although I did not mention it at the time, in view of the question which has been asked, I will mention it now: for five years we are told that we can have a market in Britain for all the beef we desire to send them.

Those facts being the case, all we are asking the house to do at this time is to pass this legislation to give us authority to go on with the provisions made in the orders in council, over a sufficient period of time to permit of our carrying out the contracts which we have with Britain. We are asking for nothing more than that. We believed that in bringing the bill down in its present form we were asking for what this house wanted us to ask for, particularly the opposition, namely, only the authority to do under this special legislation what we had been doing under the War Measures Act. We are asking no authority to do anything else. Therefore I object to any attempt being made by the house now to put into this act terms which never were intended to be in legislation of this kind; terms which, if they are to be enacted at all, ought to be enacted under separate legislation brought into the house, discussed on its merits and if this is the proper time to pass it, if it must be passed, then it should be passed. But if it is not the proper time to consider it, in view of the fact that organizations are not yet prepared to do the job that is required to be done, then it could be brought in at some other time by whatever government is then in power.

But we submitted this argument to the farm organizations, and so far as I know the farm organizations accepted the argument and did not expect legislation this year. However, I would submit that they do expect legislation as soon as they can get it and would take it this year if they did get it. I am quite certain that they do not expect it this year but rather that they expect that with these powers under this bill, and with the extra power which has been asked for in connection with apples, we could go through this season without bringing any great hardship upon any one, even to the extent of not doing injury to the views which they hold with regard to compulsory marketing of farm products. So I would suggest that we discuss the bill on its merits and not discuss all kinds of amendments which would put this bill completely out of existence and call upon us to bring in some other form of legislation to deal with the permanent situation.

Mr. MACKENZIE: Mr. Speaker, I wish to speak briefly to a point of order and just leave the matter with Your Honour. On looking into the amendment of my hon. friend, I suggest to you that, with regard to clauses 1, 2 and 3, there is at least the possibility of there being an impost upon the public revenue. I just bring that to your attention, sir, and leave it there. Second, I refer you to paragraph 668 of Beauchesne's Parliamentary Rules and Forms, third edition, which reads as follows:

> On the second reading of a bill, the house may decide to refer the subject matter thereof to a commission although the bill—

I wish to emphasize this point particularly:

> —could not be referred to a committee of the house before its second reading.

Again on page 604, the assertion of Mr. Meighen, who was then in the house, that it was not so with regard to a bill but with regard to a resolution; he said that it could not be directly referred to a committee. I just leave this point with Your Honour.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, we have listened for some considerable time to the Minister of Agriculture (Mr. Gardiner) criticize other members in the house for straying from the bill; but probably because of the portfolio he holds, he has himself led us into pretty far and green fields. I shall try to answer some of the arguments which he put forward with such violence and vehemence. He first criticized the official opposition because he said there was incon-

sistency in our attitude. He criticized us because, as he said, we now asked him to import into this particular bill matters which are foreign to the purpose of the bill, which is merely to place in statutory form those things which previously have been done by order in council. He went on to say that it would be improper to do anything more at this time or to import any other matter into the bill.

I take some issue with the minister in that respect. It is true that we in the official opposition have pressed for the cessation of legislation by order in council. I make the distinction again between administration and legislation. We have pressed for the end of the practice of doing by order in council what should properly be done by act of parliament, and of giving to ministers, or boards set up under ministerial authority, power to make rules having the force of law perhaps contrary to some existing statute. We had hoped to see introduced legislation to replace the orders in council passed under the War Measures Act. That is the type of legislation which we had hope to see in Bill No. 25. But what we find, Mr. Speaker, is not an act putting into statutory form what has hitherto been done by order in council, but an act giving authority to continue to do by order in council what we say should be done by statute.

That is the first distinction I would make, that this bill gives to the minister just as wide powers as he ever had under the War Measures Act or under the National Emergency Transitional Powers Act; and there is no point therefore in his objection to our criticizing the bill and saying that we wish to see this thing put on a regular and permanent basis. We desire to see a proper marketing act and enabling legislation brought in, not legislation simply under the guise of a regularizing act to continue placing in the hands of the minister power to do those things which should be done by parliament or some duly constituted authority subject to the control of parliament.

In support of my contention I would refer to section 3 of the bill. Without reading it in detail, I may say it gives the minister power to sell, to buy and to store; it gives him sole control over the price level, and control over the quantities to be marketed, in connection with all agricultural products in the Dominion of Canada with the exception of wheat. The producers are given no voice in setting the price, in the quantity to be bought or in the marketing of their product. That is why I say, instead of regularizing powers or giving powers back to parliament, this bill simply continues a situation to which we have objected in the past; that is, it gives the minister and the governor in council power to do things which should be done by and subject to the control of the House of Commons. That is the answer I would make to the minister's first objection. There is no inconsistency in saying we should have a marketing act that is a marketing act and not an act which simply makes the minister the buyer, the seller and the sole authority over markets in Canada.

Second, the minister said he was not taking any very great powers under this bill, and that therefore the charge that he was seeking to set himself up in sole control of agriculture was not well founded. I asked him, what about the power to continue the contracts or make new contracts? He said, "What we are going to do under section 3 is to continue the contracts already made. We are giving ourselves wide powers under that section, but we will not be exercising them. We do not really need them, and we do not intend to exercise them." When taxed with this again, however, he went on to say, "Well, we are not exercising very wide powers, except occasionally the power to negotiate new prices." Some hon. members, he pointed out, were pressing for new prices under some of the contracts; and he said some of the contracts would be going on until 1949.

Mr. GARDINER: If you want to quote me you would be much closer to the facts if you waited till you got and read *Hansard* tomorrow morning.

Mr. FULTON: In important matters of this type I sometimes prefer my own notes, which I make at the time, because sometimes *Hansard* bears remarkably little resemblance to those things which most hon. members heard fall from the lips of the ministers.

Mr. DEPUTY SPEAKER: Order. I hope the hon. member is not reflecting on *Hansard*. If there are inaccuracies or mistakes in *Hansard* they should be brought to the attention of the house as soon as they are discovered, but at no time should an hon. member reflect upon *Hansard*.

Mr. FULTON: I hasten to assure you, Mr. Speaker, that my reflection, if there was any, was not directed at *Hansard*. I thought I was stating a fact, that occasionally the things we hear and the things which appear in *Hansard* do not resemble one another, and I was leaving it at that; I believe that is a mere statement of fact. I did hear the minister say in effect that there would be no substantial creation of new contracts. He went on to say, however, that there were contracts

which took us up to 1949, and I suggest that, as situations change, these contracts will require to be revised, and under the terms of this bill the person to revise them will be the minister, without reference to the producers or to parliament. He comes in here with an agreement already signed, brings this legislation before us and says, "We have to have it in order to carry out these contracts. If you oppose it you will be besmirching the good name of Canada, because without it we cannot live up to our obligations to another country."

With regard to the question of giving powers which it is said are not intended to be exercised, this whole question was up in the house as long ago as 1934, when the Bennett government introduced its marketing act. It is significant to note the extremely violent, vitriolic attacks which were made, not only upon the legislation but upon the ministers introducing and supporting it. They were represented as villians and rascals of the first order, who were seeking only to abuse their power and to grind the country under their heel. One of the hon. gentlemen in the opposition at that time who made an attack on the legislation upon these grounds is the present Minister of Justice (Mr. Ilsley). I should like to read what he had to say at that time in regard to giving these wide powers to ministers and ministerial boards. I quote from page 2210 of *Hansard* for March 16, 1934:

> We cannot assume that the drastic powers which are conferred upon the government by this measure will not be exercised. Some of those in my constituency who urged that I support this bill have said: "Yes, these powers are exceedingly drastic, and we can understand how in their working out great injustice might be done or great inconvenience suffered, but we must not assume that the government will misuse the powers granted under the bill or need not assume that the government will invoke those powers."

Then he went on:

> I do not think a member of parliament should vote to confer powers the exercise of which he disapproves. For this reason I am afraid that I shall have to oppose the bill as it stands.

The minister is in his place in the house at the moment, and I would be very glad to hear from him as to whether he still feels the same way about conferring powers the exercise of which we do not approve, even though we have the assurance from the minister that it is not intended to exercise these very wide powers. I for one agree entirely with the remarks of the right hon. Minister of Justice at that time, and I hope he still feels the same way.

The Minister of Agriculture ended up with the point at which he started, and said that in introducing a measure of this sort to regularize the emergency powers exercised under the War Measures Act and the transitional powers act it would not be proper to seek to introduce a full-fledged marketing act. He gave as one reason that this is a transitional measure, that these conditions may be entirely transitory, and that what he is seeking to do is take care of these transitory conditions. However, in almost the same breath with which he was saying this was only a temporary measure he went on to say that he could not give any assurance that he would bring in a marketing act because, he said, after the last war these transitional conditions continued for ten years or more, and they might go on this time for four or five years. The minister seems to envisage a pretty permanent transitional measure, and if it is to endure for as long as he forecast tonight, then instead of constantly continuing emergency powers I think he should do now what the farmers of this country are pressing for, and bring in a proper marketing act which would give the producers of this country control over their produce and their processes, instead of leaving it exclusively in the hands of the Minister of Agriculture.

One other point in the minister's speech was significant, and I should like to comment on it now, and shall refer to it again later in my remarks. We saw him make once more an effort to hold over the head of the official opposition the big stick of the contracts with Great Britain. The minister said, "If you oppose this bill you will be denying to us the powers necessary to carry out our contracts." For my own part, Mr. Speaker, I object strongly to what I think is cheap legislation; legislation which, under the guise of giving powers necessary to carry out contracts signed by the government of Canada, introduces provisions for all sorts of extra and additional powers which in our view should not be given; powers which certainly are not necessary for the carrying out of these contracts; and in connection with which we are then told, "If you oppose the bill, if you oppose it in its entirety or in part you are taking away from us the power to carry out these contracts", and therefore holding us up in the light of being anxious to besmirch the good name of Canada, and to jeopardize the discharge of responsibilities undertaken by the government of Canada.

It is cheap on two grounds. It is a cheap way of getting excessive powers which the government wants, and it is a cheap effort to

place those who conscientiously oppose many of the things done by this bill in the light of being opposed to the preservation of the good name of Canada.

Well now, having said that, in so far as the minister's speech is concerned—because I felt many of the things which he said should be answered—I should like to speak with regard to the bill itself now before the house. It is difficult to discuss this bill on second reading, because its very principle is so difficult to find. I think that was illustrated this afternoon in the rulings which were given with respect to the two amendments which at various times were before the house.

An effort was made to find the principle of the bill, and to introduce amendments which would be contrary to the principle, or to suggest opposed principles. Each time Your Honour found in the amendments no sufficiently clear distinction between the amendments and the principle of the bill to bring the amendments within the rule, and on that ground they were ruled out of order.

It seems to me that that is a proper criticism to make of the bill, and it arises from the fact that under the guise of seeking to carry out a contract with Great Britain a great deal more is introduced than is necessary to bring about that purpose. After careful examination, however, we cannot say that the principle of the bill is only to carry out the agricultural agreement made with the United Kingdom. If it were that, no one would oppose it. There is a great deal more than that.

Mr. GARDINER: There is nothing more than that.

Mr. FULTON: The principle is not to be found in the title. The title gives the purpose; it is to provide for the sale and export of agricultural products. I am following here a distinction made by the Prime Minister (Mr. Mackenzie King) himself in 1934, when he was discussing the Natural Products Marketing Act introduced by the Bennett government of that day. At that time the Prime Minister carefully distinguished between the purpose of the bill and the principle of the bill, and no one questioned his distinction. The Prime Minister of that day agreed with it, and all hon. members in the house agreed with and accepted it.

The principle is not to be found in the preamble; again that seems to define the purpose. Then, it is not to be found in the title, or in section 1, nor is it found in section 2, the definitions section.

I suggest it is not until we come to section 3 that we get any inkling as to the principle behind the bill. And when we study section 3 carefully we find the principle of the bill is to enable the Minister of Agriculture (Mr. Gardiner) to control the marketing and sale of all Canadian agricultural products, with the exception of wheat. That is the first principle of the bill—to give that control to the minister. A secondary principle is found in section 4, which enables the minister to establish one or more commodity boards. This being so, I suggest that we have to examine section 3 closely to understand the full import of the principle of the bill.

Paragraph (a) of section 3 gives the minister power to sell all agricultural products in Canada. Paragraph (b) of that section gives him power to buy on behalf of foreign countries any agricultural products in Canada. Paragraph (d) gives him power to store any or all agricultural products in Canada.

So we find the minister in the extraordinary and preferred position of being both buyer and seller. He is the czar of all agriculture in Canada—not the producers, themselves; they have no say in the prices or quantities of their produce sold—the Minister of Agriculture is to have the whole say in this sphere. That is my main objection to the bill, namely, that the producers of Canada will have no control over their produce, or their activities in selling them or marketing them. The Minister of Agriculture alone controls those features.

The second provision which I find objectionable is the one which gives the minister power to conclude new treaties and new agreements with other countries without reference to parliament. One of the features to which we have already taken objection is the fact that this parliament is thus placed in the position of having to accept the whole of these measures, because included in them is one particular power, namely the power to carry out agreements already made. That was the position we were in with respect to the wheat board act, and the position we are now in with respect to this bill, because there is meat; there is beef; there are bacon, and eggs which are already the subjects of agreements with Great Britain. And I object to that principle wherever it is found.

I object to parliament's becoming nothing more than a rubber-stamp to carry out the predetermined policies of the Minister of Agriculture. He goes to these countries and makes agreements with them as to prices and quantities. Then he comes back to parliament and says, "I have made this agreement; this is the price level, and there can be no question about the agreement. You must accept this legislation in order to enable me to carry it out."

I can just hear what would have happened if this party had been in office and had introduced similar legislation, and the same hon. gentlemen who sat on these benches in 1934 had been facing the government which was trying to get this legislation through. I can just hear the minister who comes from Vancouver Centre; the hon. member for Quebec South; the Minister of Justice (Mr. Ilsley) and the Prime Minister, who excelled themselves then; and I somehow feel they would have done even better tonight in their attack on this bill, had it included these powers.

I want to read what the Minister of Justice, who was perhaps the most reasonable, being a lawyer, of those who made the attack in 1934, had to say. Let me read what he said with regard to taking away the powers of parliament in this matter. Speaking on April 16, 1934, he is reported at page 2212 of *Hansard* in this way:

> One by one measures are introduced which take away the powers and authority of parliament. I certainly cannot approve, nor do I think my constituents or the producers of this country will approve, of the taking away from parliament of its time-honoured rights and privileges, its function of legislating for and protecting the interests of all classes in the community.

Well, what is the provision under the bill now before us? Have producers any say in the marketing of their commodities? They have only such say as the Minister of Agriculture, in his goodness, may give them. He buys; he sells; he stores; he sets prices— and he sets the prices before the consumer and before the producer knows what is going on. Then he comes back to parliament and says, "I have made an agreement; I have set the price, and you will have to ratify it." And parliament not only is in a position where it cannot hold the minister responsible, but cannot take any step it wishes to take on behalf of the producer, if he thinks his price is too low; because we have seen in the last week that, if we make any effort to remedy the situation, deliberately we are held up as being those who are trying to make it impossible for the government to carry out its sacred word. So I say that is another of the principles of the bill, another feature in it, which is most objectionable. I think it should be provided that in future no agreement made by the Minister of Agriculture with any other country shall be valid until it is ratified by parliament. I think the proper way to proceed would be to have the producer boards control this thing, not the minister. We have introduced an amendment which would serve that purpose but it has been ruled out of order. Nevertheless, our view is that the producer boards should have this power and then there would probably be no objection.

Mr. ILSLEY: Shall have what power? Shall have the sole power of negotiating with the British government?

Mr. FULTON: Yes, exactly as was done in the case of apples, as was pointed out by the hon. member for Yale. When the British government wanted to buy apples Sir Arthur Jones—this is what the boards tell us—went out there and made a deal with them as to prices and quantity. They found those details satisfactory. He then came back here and signed on behalf of the British government, and I understand the Minister of Agriculture signed on behalf of the Canadian government.

Mr. ILSLEY: The government made the contract.

Mr. FULTON: I shall be interested in hearing an explanation as to how it was concluded, because that was the explanation given to us by the boards in British Columbia which were concerned with the agreement.

Mr. GARDINER: We can tell you how it started, but it has not yet concluded.

Mr. FULTON: That is the way in which they desire these agreements to be made. The producer should be able to have a say in the price and the quantity before the agreement is signed. That principle is not being carried into effect in this bill. Therefore we should like to see provision for the second safeguard; that is, that no agreement shall be valid until ratified by parliament. That would give the duly elected representatives of the people a chance to consult with those who had elected them and find out whether the price is indeed a proper price and whether the quantity is a feasible quantity. The country would no longer be in a position where the Minister of Agriculture can sell it short and make a bad guess and tie it up for the next four or five years without any possibility of a change.

I can imagine what would be said if a private broker were in a position to go out and sell the country short. He might make a good deal when he would make a profit, but if he made a bad deal he would not be the one to go broke; the people of the country would pay for it, particularly the agricultural producers. That is what we want to prevent. If they are to be asked to pay for it we want them to have some say in the making of the deal. That is why we object to this bill.

There are many other features of the bill which are objectionable but they can be dealt with in committee. Section 7 gives the minis-

ter, with the approval of the governor in council, the power to hire and fire and set salaries with no reference to the Civil Service Act. Section 9 gives the minister the power to create new offences and impose fines up to $5,000 for offences which are not yet established. After having read the debate which took place in 1934, to which I have referred, one is forced to wonder what change of heart has come over those who at that time sat in these benches.

The Prime Minister then delivered a speech of two hours—some said it was two hours and twenty minutes—and he criticized every single aspect of that bill. None did he criticize more severely than the power to create new offences and to impose fines. The section against which he thundred most vehemently was a one which provided for a penalty of $500 for a breach of the regulations. Here we find exactly the same section providing that the penalty shall be $5,000. That is ten times as much as it was in 1934.

An hon. MEMBER: Inflation.

Mr. FULTON: Somebody remarks that that is inflation, which is perhaps another thing for which the government are responsible. I wonder if they are now ten times more socialistic than they were in 1934. In 1934 they opposed the bill introduced then as being a socialistic measure. They now do some things in this bill that are ten times as bad, and they still refuse to introduce a proper marketing act which will give the producers control over their own products.

In conclusion, I wish to summarize my own views with regard to this bill. I know the producers, particularly the fruit producers in my constituency, have been pressing for many years—the minister has admitted this—for marketing legislation. They have wanted an act which will enable the boards which they have set up after a long struggle and have now got going on a successful and proper basis to continue the orderly marketing of their products, not an act which will enable the minister to set up some over-all board or to step in himself and control every single feature of their production. Not only that, they want some assurance that they will have some say as to price and quantities in connection with any deal made in the future. That is what they want and they are not getting it in this bill.

In addition, they want a further safeguard which we will ask for in committee. As members of parliament, I think we should ask for an assurance that the minister will not continue the practice of concluding treaties on his own and then coming to parliament and saying, "You have to give us these powers because we have already signed." We will press in committee for a provision that in future no agreement shall be valid until it has been ratified by parliament.

Mr. ILSLEY: As a practical matter, if we can sell 500,000 barrels of apples to the United Kingdom within the next two weeks, does the hon. gentleman suggest that we should not complete the deal without bringing it back to parliament for ratification?

Mr. FULTON: If it is desirable that 500,000 barrels of apples should be sold, you could sign whatever is necessary in the way of a preliminary agreement, but you should say, "This cannot be official and binding until the parliament of Canada has given approval".

Mr. ILSLEY: Does the hon. gentleman realize that the apple growers have to borrow money and make arrangements for growing their crop and they have to know what is to become of that crop? Does the hon. gentleman seriously suggest that they should be kept in a position of uncertainty for months to come?

Mr. FULTON: There is no necessity for keeping them in a state of uncertainty for months. I have suggested that none of these deals should be concluded without the producer boards being consulted. If the producer boards are consulted, then we would have reasonable grounds for assuming that there will be a fair price and a reasonable quantity. If a deal is concluded on that basis and is brought into this parliament, there is no reason to assume that it will not be ratified. I am simply saying that, with this bill as it stands, there is no provision for consultation with the producers. The minister can do the thing on his own hook.

Mr. GARDINER: The statements that are being made are absolutely false. There is provision in the bill for an advisory committee to be appointed.

Mr. FULTON: If the minister wishes to appoint one.

Mr. GARDINER: There has never been an agreement reached without its being referred to any board that happened to be in position to give advice.

Mr. FULTON: If the minister desires to do so, he may appoint an advisory committee, but there is no provision that he shall appoint an advisory committee.

Mr. GARDINER: Under the orders in council there are advisory boards. The chairman of one is in the gallery now.

Mr. FULTON: I am sure he is very much edified by the minister's comments.

Mr. GARDINER: He would be with your speech.

Mr. FULTON: I am inclined to think the minister should withdraw his remark that my statements are completely false. I take serious issue with him there. They are not inaccurate. There is in this bill no provision that there shall be an advisory board. There may be one if the minister wants it.

Mr. GARDINER: There is one.

Mr. FULTON: And the minister does not have to consult the producers.

Mr. GARDINER: I do consult.

Mr. SMITH (Calgary West): Are we in committee? The hon. member for Kamloops has the floor.

Mr. DEPUTY SPEAKER: Order.

Mr. FULTON: There is no point in carrying on the present altercation across the floor, but if the minister feels the way he does I think he should show us where in the bill provision is made that producers must be and shall be consulted and shall have a say as to the price.

Mr. GARDINER: I thought you were not in favour of compulsion.

Mr. FULTON: There is a provision that they may be consulted but that is not sufficient and there is no provision for the prior submission to this parliament of the deals made by the minister. I have made my position clear on that. Those deficiencies in the bill would incline one at first sight to vote against the second reading, but in the hope that those weaknesses may be rectified in committee I personally do not intend to vote against the second reading of the bill, because we intend to move amendments in committee to correct these weaknesses and we still have an opportunity to exercise our decision on the third reading of the bill. I would not like to make any forecast of what my attitude would be then. I do know that the producers in my constituency, who, I believe, are typical of producers all across Canada, would wish to see the provisions put in the bill which I have suggested. They would like to have the assurance that they will be consulted before any deal is made which binds up their future production for the next four or five years.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, is there any objection to my getting in on this? I have heard so many statements on wheat and a few other things in the past few days that I can well understand a letter which I got, and which I presume every member got, from which I quote:

> We did inform Mr. King, Mr. Coldwell, Mr. Bracken and Mr. Low to hand us the full administration of Indian Affairs, which is the only wish the Indian nation has to be governed and administered by a national Indian government.

After listening to similar speeches I have heard during the past week, I say, let us give them the whole government and make a good job of it. I want to explain my vote and incidentally I warn the C.C.F. that I am not going to vote for their new amendment. If people keep on moving amendments for the next few weeks we shall get nowhere.

I have no hesitation in telling the Minister of Agriculture (Mr. Gardiner) that I do not like his bill, and I voted for the two amendments to demonstrate that we in western Canada do not like the bill. It does not properly cover the issues. At the same time I am going to support the bill. I appreciate the fact that if we did not have this bill we could not carry out our contracts which affect the poultry men and berry growers in my riding, and for that reason I am going to support the bill as being in the best interests of many farmers in my constituency. I told the people of my riding—and I only wish they were listening—before I left the far west, which is the real Canada, that I did not expect that we westerners would get support from the east on a real marketing act, and I still do not think we shall. I think my hon. friends from Saskatchewan will agree with me on that.

The only good thing I know of that ever came out of a Conservative administration in Canada was the Bennett marketing act, which unfortunately was declared ultra vires. I am not sure just what that means, but probably the hon. member for Calgary West (Mr. Smith), who never interrupts at all, knows what it means. What I do know is that the act did not hold good in British Columbia, except for the lawyers. I wish the minister would consult, not some of these technical experts that he has in some of the buildings, but some of the men who really know marketing and really know production in agriculture.

I have read the bill; I heard the minister's remarks on the resolution, and I air-mailed them to the province of British Columbia, to the man who knows more about marketing dairy products than any other man in Canada, Mr. W. L. Macken. Today I got his reply. I know he does not object to my using his name. He is president of the largest dairy cooperative in the Dominion of Canada. This

bill is not all-embracing. It is of no protection to our dairy farmers in British Columbia at all. That is the reason I voted for the two amendments, to impress on the government, this government or some other government—perhaps under a later redistribution, in 1951, we shall get the number of members we ought to have—that we in western Canada are going to persist until we get a marketing act that will be for the benefit of all our farmers.

I realize that we cannot amend the bill that is before the house. I want to be fair and say that I believe this bill will benefit the poultry men and the small fruit growers in my riding and to a certain extent the dairy men, in so far as the contracts for the ensuing year are concerned. I disagree with the hon. member for Kamloops (Mr. Fulton), because the minister or some official or some agent must have the authority to carry out the contracts. If my hon. friend lived in such a delightful spot as the Fraser valley he would not want to come back here every two or three weeks in order to have some contract approved by parliament before the products could be secured to fill those contracts. The minister and his officials must have that authority.

A word of warning to my hon. friends of the C.C.F. I think the Minister of Agriculture said that the marketing act was socialism.

Mr. GARDINER: Not I.

Mr. CRUICKSHANK: Then it must have been somebody else. Let me say that if an all-out, all-embracing democratic compulsory marketing act is socialism I am a socialist. I agree with the hon. member for Kamloops and one other member over there who said this afternoon that a marketing act should be under the control of the producers themselves and that they are the ones who should set the price and the regulations. The Canadian Manufacturers' Association sets the prices of the products they are going to sell, and why should not we farmers set our prices?

Mrs. STRUM: Move over here.

Mr. CRUICKSHANK: I would never be elected again. I suggest to the Minister of Agriculture and the hon. member for Kamloops that they should settle their disputes the way the hon. member for Humboldt (Mr. Burton) and I settle ours.

I wish to say in conclusion—and I say this in all seriousness—the people of the Fraser Valley riding and, I believe, the entire farm population of British Columbia—although I have no authority to speak for other than my own riding—the dairymen of the province, the poultrymen of the province and ninety per cent of the berrygrowers, who incidentally last year in my riding alone produced 11,475,428 pounds of raspberries, are not requesting that this government; they are demanding that this government put into effect an all-embracing marketing act which will protect both the producer and the consumer.

Mr. SPEAKER: I should like to say to the house that, having studied the amendment very carefully and after having considered the remarks made by the leader of the house, I have come to the conclusion that the amendment is in order.

Mr. H. W. HERRIDGE (Kootenay West): I rise to speak briefly in support of the amendment and to express my disappointment with this bill. Before going on to give expression to the things I wish to say, first of all, I should congratulate the hon. member for Fraser Valley (Mr. Cruickshank) on his courageous stand in expressing the views of the farmers whom he represents. I hope his example is followed by more hon. members of the party with whom he sits.

Before proceeding, may I say that I do not discuss this matter from the legal angle, as a lawyer, as a broker, as a grocer, or as a doctor. I discuss this matter this evening as one who has tramped the highways and byways of my own constituency trying to get signatures for our contracts in the early days in British Columbia, and as one who has done considerable speaking in support of this legislation. I am very happy on that account to be able to continue to support it in this house.

I listened with a great deal of interest to the Minister of Agriculture (Mr. Gardiner), to his definition of certain difficulties and to his explanations. I am not going to deal at length with what the minister had to say, but shall simply say that, after listening carefully, I am of the opinion that the minister clearly reflected the policy of this government, which is to delay again and not to respond to the demands of a large section of the people of this country at this time. You have delayed again, apparently, the enactment of a national products marketing act; you have delayed a national labour code; you have delayed an old age pension amendment to satisfy the people of this country; you have delayed health insurance. In my opinion that correctly reflects the attitude of the government here at this time to the situation as it exists in Canada at the present time, and is the cause of, shall I say, the uncertain morale which exists in the country.

On May 28 of last year I spoke at some length on the question of national farm marketing. I do not intend this evening to repeat my arguments or illustrations, except to say that I think the decision of the conference of the Canadian Federation of Agriculture which was held in Ottawa recently proves the validity of the arguments I put forward at that time and the illustrations I gave, as to the stand of the farmers of this country behind this legislation.

With other hon. members I had the opportunity to attend one morning session of that conference, and I must say that it was even surprising to me to see the unanimity which was expressed regarding this question of national farm marketing legislation. It was not sectional, although this idea, I am proud to say, originated in British Columbia. The idea was supported from the Atlantic to the Pacific coast. I do not think I have ever attended a farmers' convention in which there was expressed such general agreement on a principle. I am not going to quote the resolution carried by that conference. The minister has already read it to the house and it is on our records, which I think is a good thing because we shall want to refer to it in the future. But I wish to refer briefly to three or four points. I think the action of the Canadian Federation of Agriculture conference, which shows that there is unanimous support across Canada for this type of legislation, proves that the people who are directly concerned with this legislation support it and desire it, and desire it and demand it now.

Second, it is definitely democratic. While we use the words "compulsory marketing legislation", I personally do not like that term; I think it is democratic marketing legislation because it is the decision of the majority of the industry concerned.

This conference in Ottawa was not produced as a result of short-term action on the part of the people. What happened in Ottawa recently was the result of this matter being discussed for years by the small local organizations of farmers throughout the country. The decision of the Canadian Federation of Agriculture conference in Ottawa was a decision which was arrived at as a result of the work, the will and the activity of the rank and file; it was a decision produced from the bottom up and not from the top down.

Then, again, I think this type of legislation has proven its worth from experience, and I am not going to take the time to go into that. We in British Columbia know, after some years of experience with this type of legislation, it has been the salvation of the fruit industry and has put that industry at the present time on a sound financial footing, provided that we get the type of legislation which is required in the future to supplement provincial marketing legislation. I think that is admitted generally.

Another point, Mr. Speaker; at this time many of us are concerned about the youth of this country returning to the farms. I am one who is very much interested in the building up of the rural population of Canada, because I believe that so long as we have healthy rural communities and a prosperous agriculture, we shall continue to have a democratic and prosperous Canada.

Many of us are particularly concerned in seeing that the young veterans returning from the last war particularly have an opportunity to become established on the farms. We find that many boys raised on the farms—I have some of them in my own district and in my own constituency—are hesitant to locate on farms. Why? Because they want to be assured of some measure of security in the future. I say—and I think I shall receive general agreement in that respect—that if we can have the type of legislation demanded by the farm organizations of Canada we shall at least be showing these boys that we are doing all that is within our power and under our control at this time to secure for them a satisfactory living on the farms in the future.

I must say that I cannot understand the attitude of this government, a Liberal government which professes to support free enterprise. I say that this government, professing the principles of free enterprise, has, in recent months, struck some heavy and lusty blows at democratic enterprise in this country, and by its failure to bring in this national marketing products act legislation is causing a great deal of delay in democratic action by farmers in Canada. We must not forget that this government for the first time taxes cooperative societies. I am one who believes that the cooperative movement is the economic penicillin of modern society.

Then this government is now apparently failing to act as a result of the farmers demand to enact farmers marketing legislation. I cannot understand that, coming from a government professing Liberal principles. When I think of these things, of the history of the Liberal party to which I once belonged, and read the speeches and writings of the great leaders of Liberalism of the past, I am beginning to think the spirit of Liberalism is departing from the benches opposite.

An hon. MEMBER: It has gone long ago.

Mr. HERRIDGE: It has gone, shall I say, in connection with the cooperative movement. The delay in natural farm products marketing legislation is arresting the activity of a large section of the Canadian people at this time, people who are not coming to the government asking for something for nothing, asking for cash, asking for subsidies or asking for a hand-out. They are simply asking this government to place upon the statute books of this country legislation which will give them an opportunity to manage their own affairs to the best advantage, in a democratic way.

In conclusion, may I say that I am going to support the bill in the hope that some amendments will be put forward which will improve it. I do say that I think even this bill indicates that the Minister of Agriculture has taken a few steps forward to the penitent's bench and I trust that, before many days are past, his conversion will be complete to the faith which is now held by the farmers of this country in the value of the legislation they demand.

Mr. THOMAS REID (New Westminster): Mr. Speaker, while I intend to support the bill, I rise particularly, after listening to the speeches all afternoon and evening, because I am afraid that the position of many members of the house might be misconstrued in the same manner as the position of the Liberal party has been misconstrued. There is misconception in the minds of many people that the Liberal party are out to kill the cooperative movement. That misconception is a result of discussions which took place in the house last year and is one which many of us are finding it difficult to contradict. Many wild statements have been made. We have realized that amendments have been moved this afternoon with the object of trying to tack on to this bill marketing legislation which has been asked for by various organizations. It is with that thought in mind that I rise, at least to place myself on record in the house and to make a few comments regarding some of the things which have been said.

I think it can be fairly said that most, if not all, hon. members of the House of Commons are in favour of marketing legislation. I think it can also be fairly said that every member, whether he represents a city riding or a farming constituency, is in favour of the farmers having control of their product. I think that goes without saying. I do not think any member will get up and contradict what I have just said. But I wish to say this, and I have never said it in the house before regarding marketing legislation, if I am a member of the house when marketing legislation is introduced, I am one of those who are going to endeavour to see that in the marketing legislation all the regulations and all the laws relating to it will be in the legislation introduced, because I think there is great danger unless that is done. Some of the marketing boards have gone much too far in Canada, as a result of provincial legislatures passing something like an omnibus bill giving some of the officials what I claim to be too much power and authority. That must not be interpreted as meaning that I am against marketing legislation, because I am in favour of it. But I am in favour of this parliament putting every regulation and every bit of power into the bill before it passes and becomes the law of the country. I wish to place myself on record clearly on the matter.

I now come to another point, the selling of produce. I think it can be fairly said that, over the years, the history in Canada has been a tragic one of farmers trying to sell their surplus products. It has been a tragic effort and has not been successful. I think the prices which the government has obtained under the agreements which we are dealing with under this bill have been accepted as being fair by all farmers throughout the entire dominion. That being the case, why the opposition to the bill?

I am speaking tonight not only as a member representing the constituency of New Westminster, but also as a member of the Pacific Poultry Association. I know full well, in the days past when we had a surplus of eggs, the tragic situation which arose with regard to price. Who was to take the surplus eggs which the poultry men had and market them in foreign countries or in Great Britain? No wholesaler would take the risk of taking a small shipment of eggs, going across to Great Britain and finding a market four or five thousand miles away from British Columbia, with the result that, on occasion, eggs dropped to a price as low as eight cents a dozen. Poultrymen went out of business and in many cases lost all they had.

So we come now to a time of war and of demand, and the government steps into the picture and makes an agreement. Will any member get up and say the price under the agreement is wrong? It is true that adjustments should be made. As we in British Columbia have been saying to the Minister of Agriculture (Mr. Gardiner) adjustments should be made in the price of eggs now in view of the change in wheat prices. That is only natural because, so long as the govern-

ment is controlling prices, just so long must it be responsible for the entire picture. Therefore we have had no compunction in coming to the Minister of Agriculture and demanding that the agreement made with Great Britain must be altered in some way.

I am neither a prophet nor the son of a prophet, but I am going to say this. I doubt if we shall change this system in the future. A great many statements have been made about what the Liberal party is doing now as compared with what it did ten or fifteen years ago. Do hon. members realize that the lid has been blown off the top of the world, that the people are on the march, and are not going back? Do hon. members realize that governments today in certain countries are the purchasers of food and not individual wholesalers or buyers? Do they realize that no individual from Canada can go to those countries and make a deal? He is at a loss. What other agency is going to make a deal than the government of Canada through the Minister of Agriculture and the boards set up?

We listened all afternoon to hon. members trying to tack onto this bill a Natural Products Marketing Act, and probably trying to leave the implication that those who voted against the Speaker's ruling and speak now are against marketing legislation for the farmers. Let us now get the picture clear. The government is asking power for one year; and it would be tragic if it had not that power in so far as one branch of industry is concerned, namely the poultrymen. I think that would apply to every other branch of farming as well as to the poultrymen in British Columbia. So let us have the picture clear with regard to what we vote on, and let us not have it thrown at us that we are against marketing legislation. Mr. Speaker, I am going to support this bill.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I am a modest sort of fellow and do not like to express opinions unless I know a little about the subject with which I am dealing. But since there are, evidently, so many immodest people in the chamber, I thought I might as well take a flyer too.

As I have followed the debate which has taken place in this chamber in connection with this bill, my understanding is that the principal difference between the members of this group and the government is that this is a temporary measure, special bill for one year, and we believe that is not what is called for at the present time but rather a measure that is more or less of a permanent nature. Whether that point of view is correct I do not know, but I do know that, when this bill expires, whoever may be minister of agriculture will be compelled—because circumstances will not be any different at the end of the year from what they are now—to introduce a bill that will do what we have been trying to do this afternoon. My point is that I am not sure whether or not this is the time to introduce such a measure. If that cannot be done, of course I shall support this bill, and I think my colleagues will do likewise. But we believe there should be more comprehensive legislation now.

As a matter of fact, the farmer is not seeking government assistance in marketing because he likes to have government assistance. He is seeking it because he has no other choice. The individual farmer today is not dealing with individual buyers but with large and powerful organizations. He is helpless in selling his products under those circumstances. He has, therefore, no choice but, first, to organize as farmer and producer groups, and, then, to seek through legislation, both federal and provincial, to obtain orderly marketing of his products. The farmer is compelled today to do what the industrial worker has done over the last 100 years; that is, to organize to sell his products. The industrial worker, having no property except his labour, could easily see where and how he was exploited. The farmer, having a certain amount of what he called property, required a fairly long time to understand that he was being exploited in the same way. He has now arrived at the point where he realizes that, and he is creating organizations for the orderly marketing of his products.

I was interested in some parts of the speech of the hon. member for Kamloops (Mr. Fulton). I happened to be here in 1934 when the Bennett government was trying to get its marketing legislation through parliament. My hon. friend is quite correct when he says the Liberal party opposed it most strenuously. They debated the matter day after day, night after night, week after week, enlarging upon the dangers of government control and all that sort of thing. So much were they opposed to it that when the legislation was finally passed they took it to the courts, which declared it ultra vires. The only difference I can see now is that my hon. friends are doing the very same thing the Liberals did when they were in opposition in 1934. Referring to the fine of $5,000 provided in this act, as compared with the fine of $500 in the other legislation, my hon. friend asked, "Are the members on the government side of the house ten times as socialistic as they were in 1935?" Well, if the enlarging of the fine is

the measure of their socialism, perhaps they are; but a great deal of water has gone under the bridge since 1935, and while my hon. friends on the opposite side of the house may not be as bright as those on this side, they have learned some things in those ten years. But there is another factor entering into the picture; that is, they are faced with the responsibility of administering the affairs of the country, and you cannot be as irresponsible on the government side of the house as you can be on the opposition side. That is something we do not always keep in mind.

Mr. SMITH (Calgary West): No one knows that better than you do.

Mr. MacINNIS: Well, I do not know. I have a feeling I have tried to be responsible since I came into this house. I may not have succeeded, but at least I have tried. I did not get much of an education; there were too many potatoes to dig, too many berries to pick and, when there was nothing else, there were stones to pick, so that there was not much time to go to school. But I had a fairly good training in the shorter catechism, and I have a good idea of what is it to be honest, so that I can never bring myself to the point where I can be irresponsible just because the other fellow has the responsibility; and I am in the same position now. I have said that I think what this group is asking for is reasonable; it will have to be done some time, and the only question is whether this is the time to do it, and whether this is the time we should try to force it to be done. If it is not, then we shall support this bill.

But let me get back to the point I mentioned a moment ago, as to the measure of the socialism of my hon. friends opposite. If the Conservatives in 1935 favoured legislation of this kind and the Liberals opposed it, and the Liberals favour it now while the Conservatives oppose it, does that mean the Conservatives in the house today are ten times less socialistic than they were in 1935?

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

Mr. MARTIN: This bill is not socialism.

Mr. MacINNIS: I do not think I am able to define exactly what is socialism, but really it means the social organization of the efforts of the people of the community to provide for themselves. What may be called socialism today and denounced because it is socialism, tomorrow will be considered good and accepted because it is good, because it serves the needs of the community; as a matter of fact, because we cannot get along without it. Personally I have never been able to see that there was any great merit in leaving the resources of the country in the hands of a few people, because there was something democratic and fine about it, and making the mass of the people go to those few to obtain access to the economic life of the country from their hands. I was brought up on a farm. I have tried farming; I know what it is like. This is what I found. When I went to sell farm products, butter, eggs, lambs, potatoes, oats, pork and and so on, I always asked the man to whom I was selling the products, "What are you giving for this today? What is the price of potatoes today? What is the price of pork?"

But the funny part of it was, when I went to buy from these same people, I also asked what was the price, the price of the things I wanted to buy. So that the farmer, under conditions of that kind, got it, as the saying is, both coming and going. No wonder he has been skinned beautifully down through the years.

Just one point further; in regard to a statement made by the hon. member for New Westminster (Mr. Reid). I do not think I can agree with him—and I do not think he will, when he thinks it over—when he says that we must put all the details of marketing into a bill. I do not think that is possible. We would have so many clauses, sections and subsections that it would not make sense when you finished with it.

Mr. REID: If I might interrupt, I think they did that in the British House of Commons in their marketing legislation before 1939. All the regulations were in the bill.

Mr. MacINNIS: I cannot contradict the hon. member, because I did not see the legislation. But my personal opinion, for whatever it is worth, is that you cannot put all the details into a bill. Circumstances change from day to day, and the person or persons responsible for the administration of the legislation must have a certain amount of leeway so that they may be able to manoeuvre under those circumstances. If they are to be bound by legislation in an act, they just will not be able to do what it was intended they should do. So that I believe that, while the act should be as explicit as possible, we must, in the natural order of things, leave a certain amount of leeway to whatever board or minister, or whatever other officials are administering the act.

Let me repeat that this group will support this legislation. But we believe that what is required now is not merely an emergency bill

for one year, but a measure which will meet the needs of the producers of this country for some years to come.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I am going to try to add further to the confusion. I rise at this time for the purpose of trying to get a few things clear in my own mind. First, I should like to say that when I first came to the House of Commons I was under the impression that I was entering the national parliament of Canada, a body which legislated for the whole country, on an equal basis. But I find, since coming here, that, instead of sitting in a national parliament, which should aim at the equalization of conditions in the country as a whole, I am sitting in a form of nine little parliaments of Canada, each of which is endeavouring to do everything it can for its own particular province. After my experience here, that is pretty much my conception of parliament at the present time.

A few minutes ago the hon. member for Fraser Valley (Mr. Cruickshank) rose in his place and spoke for his constituency. That is what he is here for. But, in addition to that, he talked about the west, and the extreme west. That is all very fine, too. Then he made reference to the great prosperity of the east at the expense of the west. For his benefit let me say that, so far as the extreme eastern section of Canada is concerned, that portion from Quebec to the east, his statement would not apply; he was thinking in terms of central Canada, the exploiting machine of the whole country.

The extreme eastern section of the country is in pretty much the same position today as in Europe—after having come through a war. It is on relief. It is 100 per cent unemployed, because of neglect in the field of labour relations on the part of the national government. Today they are going from coast to coast, seeking relief for the persons in New Brunswick and Nova Scotia. They have chaos, and no one is trying to do much about it.

I say that for the purpose of—

An hon. MEMBER: Order.

Mr. GILLIS: Oh, you don't like it, do you? But you are going to hear it, so long as Mr. Speaker permits me the same latitude as other hon. members were given.

Mr. BROOKS: It is bad enough, but it is hardly that bad.

Mr. GILLIS: Yes, it is that bad; it is that bad in the very section you come from.

Mr. BROOKS: No, not that bad, at all.

[Mr. MacInnis.]

Mr. GILLIS: Check up on your Minto mines, after a seven weeks' strike. I say this for the purpose of bringing to the attention of hon. members who emphasize conditions in the west, that I am thinking in terms of Canada as a nation. This is a national forum, and is supposed to look after the difficulties of the east and the west on an equal basis.

With respect to the present legislation, naturally I shall support the bill, because it is a step in the right direction. A minute ago the hon. member for Kootenay West (Mr. Herridge) said it was a hesitant step on the part of the Minister of Agriculture (Mr. Gardiner). Well, I hope that, before this parliament prorogues, the Minister of Finance (Mr. Abbott), the Minister of Reconstruction and Supply (Mr. Howe) and the Minister of Labour (Mr. Mitchell) will take equal steps, no matter whether they are considered hesitant or not. I would hope that they would take those steps in the industrial field. I consider the step now being taken in respect of the marketing of agricultural products on a national basis is a long step forward.

This is not the farmers' problem; it is an economic problem. It affects the whole of Canada, and ramifies into all its economic processes. A minute ago the hon. member for Vancouver East (Mr. MacInnis) stated that the measure was necessary to protect the farmer, because he is an individual, and that the worker had done a similar job for himself a good many years ago. I do not see it in exactly that way. Under his cooperatives, and the like, the farmer has been organized for a long time. But when he had to go out barehanded and deal with Canada Packers, Swifts or the grain exchange, he was in exactly the same position as the industrial worker is in, whether organized or unorganized, when he has to deal with the same Canada Packers, Swift Canadian, British Empire Steel and Coal, General Electric, and such others of the few large organizations which control all the economic processes in this country.

As I said a minute ago, I hope similar legislation will be brought in by the Minister of Reconstruction and Supply to protect the fields covered by his department, including, for example, the marketing of lumber and the establishment of a national fuel policy for the regulation and sale, and the import and export of Canadian fuels, so that we shall be in the same position as are the farmers, with their boards.

I hope the Minister of Reconstruction and Supply will introduce a bill to set up a coal board, for the purpose I have mentioned; also to supervise the millions of dollars spent

from the national treasury in the fuel industry, and to see that that money is spent in a manner whereby there will be supervision of imports and exports. That is not being done in industry today. That is why there has been industrial unrest. I hope, too, that the Minister of Labour will take a leaf from the book of the Minister of Agriculture and bring in a bill to establish national labour.

Mr. SPEAKER: Order.

Mr. GILLIS: I know I am out of order, Mr. Speaker, and I will sit down in a minute.

Mr. SPEAKER: If the hon. member is not out of order, he is certainly on the borderline. I would call his attention to the fact that we are discussing Bill No. 25, to provide for the sale and export of agricultural products.

Mr. GILLIS: Thank you, Mr. Speaker; I was just about to finish anyway.

Tonight I have listened to talk about peaches, strawberries, rocks on farms and potatoes, and then we have had the legalistic end of it from over here. I thought I might as well bother you a little bit and have you decide that I was also out of order. I am just going to conclude by saying that, as one from one end of this country which I consider has received a pretty raw deal, I feel that the people there will be greatly benefited by legislation of this kind in the economic field.

On motion of Mr. Bentley the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 10.45 p.m.

Monday, March 17, 1947

The house met at three o'clock.

ST. PATRICK'S DAY

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I rise to a question of privilege. I desire to extend to you and to all hon. members of this house best wishes for a happy and sober St. Patrick's day.

AGRICULTURAL PRICES

CHANGES IN POLICY WITH RESPECT TO OATS AND BARLEY

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, it has been suggested by a number of members of the house that as soon as possible a statement should be made with regard to the production of coarse grains in 1947. With your consent, I should like to read that statement to the house now.

The production of dairy products, meat, poultry and eggs in 1947-48 will depend upon the feed supplies available in the form of pasture, fodder, and grain crops.

The pasture, and to a large extent the fodder, acreage for 1947-48 are already determined. Farmers may increase the yields of both of these by the use of fertilizers to the extent that they can be made available, but the weather will be the determining factor in the quantity of feed produced from these sources.

The summer production of beef and dairy products largely depends on pasture, but the quantity of the product can be increased and the quality improved by the use of grain.

The winter production of beef and dairy products will depend upon the supplies of fodder and grain available. The production of pork, poultry and eggs, however, is dependent upon feed grain supplies throughout the year.

Practically all the feed grain supplies produced in 1946-47 have been consumed in the production of meats, dairy products, poultry and eggs. It is therefore not possible to increase the production of meats, dairy products, poultry and eggs in 1947-48 above the quantities produced in 1946-47 unless larger feed grain supplies can be made available.

In order to stimulate production of feed grains and to assure domestic supplies, the government has therefore decided to make a number of changes in policy affecting oats and barley. These changes are as follows:

1. Effective tomorrow, March 18, the system of advance equalization payments will be discontinued and the Canadian wheat board will stand ready to buy all oats and barley offered to it at new support prices. In the case of barley these prices will be based on 90 cents for No. 1 feed barley, in place of the former support price of 56 cents, in store Fort William/Port Arthur, and other grades at appropriate differentials to be fixed from time to time by the wheat board. In the case of oats, the new support prices will be based on 61½ cents for No. 1 feed oats, in place of the former support price of 40 cents, in store Fort William/Port Arthur, and other grades at appropriate differentials to be fixed from time to time by the wheat board. These support prices will remain in effect until July 31, 1948.

2. At the same time, price ceilings for all grades will be raised, in the case of barley to 93 cents and in the case of oats to 65 cents, basis in store Fort William/Port Arthur, or

Vancouver. The ceiling prices correspond with the support prices for the highest grades of barley and oats.

3. In order to avoid discrimination against producers who have already delivered barley during the present crop year, an adjustment payment will be made of 10 cents per bushel in respect of deliveries between August 1, 1946, and March 17, 1947, inclusive, thus raising overall returns to about 90 cents per bushel. As there is a loss in the barley equalization account for the 1946-47 crop year, no further payments are to be expected in respect of barley delivered during the present crop year. The oats equalization account for the crop year 1946-47 will, however, remain open, and net profits in that account, if any, will be distributed later to producers who delivered oats during the period August 1, 1946, to July 31, 1947.

4. In order to avoid the fortuitous profits to commercial holders of oats and barley that would otherwise result from the action that has been described, handlers and dealers will be required to sell to the wheat board on the basis of existing ceilings of 64¾ cents for barley and 51½ cents for oats, all stocks in their possession at midnight tonight, March 17. Under certain conditions these stocks will be returned to the holder for resale. Allowances will be made for the purpose of taking care of such items as carrying charges in terminal positions, special selection premiums, etc., which are considered, in the judgment of the board, fair and reasonable.

5. For the time being, because of the continuation of price ceilings on animal products, payments of 10 cents per bushel for oats and 25 cents per bushel for barley will be made within the same conditions as the 25 cent payment on wheat purchased for feeding purposes. The payment of these subsidies will have the effect of leaving the cost of these feed grains to feeders approximately at their present levels. I might add that I will shortly ask that a sum be voted to cover the cost of these feed subsidies.

6. And, finally, the wheat board, either directly or through agents will become the sole exporter of oats and barley. Any exports by the board will be from grain acquired by the board under the price support plan and the net profits therefrom will be paid into equalization accounts for the benefit of producers.

It is necessary to make a fairly detailed statement of these changes so as to clarify the position of the various interests concerned, but, from the point of view of producers, the important point is that they will now have an additional return of approximately 10 to 13 cents per bushel for all the barley they market from this date forward and several cents a bushel on the better grades of oats, over and above the total returns they have been receiving during the present crop year. In addition, producers will continue to receive any net export profits realized by the board as an additional payment at the end of the season.

Feeders, on the other hand, will be protected against any important increase in costs of the oats and barley they buy by appropriate subsidies, until the release of the products they sell from ceiling price controls. It will be observed that under this plan buyers and sellers may trade with each other without the intervention of the board, within the limits of the new floors and ceilings.

As I have indicated on previous occasions, it is the policy of the government to continue to pay freight on grain for feeding purposes and mill feeds shipped east from Fort William/Port Arthur and west from Calgary and Edmonton into British Columbia until July 31, 1948.

As these decisions come into effect, floor prices will be maintained for meats, dairy products and eggs, mainly through the operation of the British contracts. For butter, which is not under contract for shipment to Britain, the dairy products board will be authorized to establish a floor by making purchases during the season of heavy production.

In order to assure supplies to fill the contracts and to make adequate provision for Canadian needs, it is proposed to regulate exports and imports of all products which are subject to contract. This would be done under authority of legislation which is now before the house.

In any case in which a price increase or substitution of a price for a subsidy would have the effect of giving unwarranted profits to holders of stocks, such stocks will be purchased by the government at the old price and returned to the holders or sold at the new price. This procedure will make it possible to recover subsidy or prevent chance profits to the holders of stocks. I want to emphasize this point in order to discourage any hoarding in anticipation of increases in ceiling prices or withdrawal of subsidy that may take place in the future.

The government also wishes to announce that it intends to authorize the wheat board to increase its buying price for flaxseed, effective on August 1, 1947, from the present level

of $3.25 to $5.00 per bushel, basis in store Fort William/Port Arthur or Vancouver and to buy sunflower seed and rapeseed at 6 cents per pound under the regulations at present in effect.

In reply to questions asked by the hon. members for Fraser Valley (Mr. Cruickshank) and New Westminster (Mr. Reid) I wish to state that the floor price on eggs was increased by one cent a dozen for the months of February to August, and by two cents a dozen for the months from September to January, prior to the increase in the cost of feed wheat. In addition, provision has been made for an increase of one-half cent per dozen to cover increased cost of packages, which increase would otherwise have been charged to producers. Furthermore, with the concurrence of the Minister of Finance I am announcing that the wartime prices and trade board will remove the ceiling on shell eggs forthwith.

ALASKA HIGHWAY

INQUIRY RESPECTING HAINES CUT-OFF

Hon. BROOKE CLAXTON (Minister of National Defence): Last Thursday the hon. member for Skeena (Mr. Archibald) asked me a question as to a letter said to have been written by General Eisenhower, regarding the closing of the Haines cut-off from the Alaska highway. At that time I thought the hon. member's question was primarily with regard to General Eisenhower's letter and I said that I had not seen this and did not know what it said but that as the road had never been completed it was not going to be closed in the ordinary sense. On Friday, the hon. member made another inquiry as to what was meant by this.

The Haines cut-off, as it is called, is a road 145 miles long, running from the Alaska highway through sections of the Yukon, the province of British Columbia and Alaska to Haines on an inlet from the sea. The Haines cut-off was under construction by the United States government during the war and it was never completed in that several portions are not gravelled and certain bridges are of temporary construction only. In dry weather in summer time there has been no difficulty in travelling the road with any ordinary vehicle, and as far as the Canadian government is concerned the road has not been closed. Over part of the road the snowfall is heavy and the location of the road makes it very difficult to clear the snow. Steps are not now being taken to complete or maintain the road.

FISH

CANNED AND SALTED—DISCONTINUANCE OF INTERNATIONAL ALLOCATION

Hon. H. F. G. BRIDGES (Minister of Fisheries): Mr. Speaker, on Friday last the hon. member for Nanaimo (Mr. Pearkes) asked me a question arising out of a statement I had made on Thursday as to the discontinuance of international allocation of fish. I had said that allocation of salted cod and other salted groundfish from Canada's 1946 production would come to an end on June 30 next and that there would be no allocation of such fish from 1947 production. My hon. friend inquired whether I had reference to all types of salted fish or only to groundfish and, in particular, he wished to know whether restriction on the salting of herring would be removed.

My reference, Mr. Speaker, was to salted groundfish only. As a matter of fact, no other salted fish were ever under international allocation, although, for a time, certain of these other salted products were subject to allocation by our own food requirements committee. This latter control ended on December 31 last. As for herring salting, my hon. friend presumably had in mind dry-salting of herring on the Pacific coast. During the war we halted this dry-salting in certain areas so that a maximum quantity of herring might be available for canning. This restriction ends on March 31.

COAL

PRESS REPORT OF SUBSIDY PLAN

Hon. DOUGLAS ABBOTT (Minister of Finance): On Friday last the hon. member for Cape Breton South (Mr. Gillis) directed my attention to an item in the Halifax *Herald* of March 13 relating to coal subsidies, and asked me to make a statement on the matter. Before doing so perhaps I should explain what the general policy is with respect to import subsidies on coal for consumption in private dwellings. Bituminous coal imported into Canada for consumption in private dwellings, apartments and rooming houses, but not including hotels or institutions of any kind, and anthracite are eligible for subsidy to the extent necessary to reduce the cost of such coal to the point at which it can be sold under established price ceilings. That has been the policy of the government since the establishment of the over-all price ceiling.

The newspaper report in question dealt only with the manner in which claims for subsidy may be made under the policy to

which I have referred. Some confusion had arisen with some of the smaller retail coal dealers of Halifax in regard to the method which should be followed in claiming the subsidy which is payable on imported coal. The coal administration simply explained the manner in which claims ought to be presented in order to expedite payment to some of the smaller retailers who have not been accustomed to dealing with imported coal.

No new government policy has been announced because the government subsidy policy under which imported coal has been eligible for subsidy as part of the price stabilization programme has been in effect since 1941. The particular payment to which my hon. friend calls attention represents no change in that policy, which is of course applicable to any section of Canada when coal has been imported for the type of consumption I have described.

Mr. GILLIS: I understand the minister now to say there has been no increase in subsidy payments.

Mr. McIVOR: No change.

Mr. GILLIS: No increase in subsidy payments to wholesalers and retailers in Halifax.

Mr. ABBOTT: I imagine that in the past very little imported coal has been sold in Halifax, but perhaps my hon. friend knows better than I do about that. If imported coal was sold in Halifax since 1941, subsidy would be payable in order to enable its being sold under the ceiling price.

Mr. GILLIS: There has been an increase in subsidy payments.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INTERIM OR ACTIVE AIR FORCE

Mr. COCKERAM:

1. How many officers, n.c.o.'s and men have been taken on the strength of the interim or active Royal Canadian Air Force since January 30, 1946?

2. How many officers, n.c.o.'s and men have been discharged from the interim or active force since January 30, 1946?

3. What are the reasons for discharge?

4. Have any Royal Canadian Air Force personnel been allowed to purchase their release?

5. If so, how many and at what price?

Mr. CLAXTON:

1. Interim force entered since January 30, 1946: 2,157 officers, 10,303 other ranks. Regular (active) force entered since January 30, 1946: 1,920 officers, 9,991 other ranks.

2. Discharged since January 30, 1946: Interim force, 166 officers, 1,040 other ranks; Regular (active) force, 30 officers, 288 other ranks.

3.

Interim Force

	Officers	Other Ranks
To pension	..	..
Medical reasons	10	74
Demobilized	150	944
Service exigencies	1	..
Unable to meet service requirements	4	..
Resigned	1	..
To take civilian employment	..	12
Convicted by civil power	..	1
Unlikely to become efficient	..	1
Under age	..	4
Compassionate grounds	..	3
Discharge with ignominy	..	1
Total	166	1,040

Regular (Active) Force

	Officers	Other Ranks
To pension	2	..
Medical reasons	9	16
Demobilized	15	..
No suitable employment in present rank	1	..
Unable to meet service requirements	2	..
Resigned	1	..
By purchase	..	261
Convicted by civil power	..	3
Unlikely to become efficient	..	6
Compassionate grounds	..	2
Total	30	288

4. Yes.

5. 90 at $80 each; 55 at $100 each; 116 at $140 each.

INCOME TAX—ALLOWANCE FOR MOTOR CAR USED IN BUSINESS

Mr. WEBB:

What ruling does the Department of National Revenue make regarding the deductibility by a salaried taxpayer in ascertaining his net assessable income of expenses incurred in the operation of a motor car in connection with his business?

Mr. McCANN:

(Answer for taxation division). Because of a recent decision of the Exchequer Court of Canada it is necessary for the department to review the situation, and it is intended to issue a general ruling on this question at an early date.

EXPORT CONTRACTS

Mr. WINTERS:

1. What is the total value of contracts awarded by the Canadian exports board and the Canadian Commercial Corporation on behalf of France, China, the Netherlands, Belgium, Norway and Czechoslovakia?
2. What is the total value of such contracts awarded in each province of Canada?

Mr. MacKINNON:

1. $330,872,575.

2. British Columbia	$ 32,356,280
Alberta	1,273,956
Saskatchewan	70,990
Manitoba	931,626
Ontario	122,637,489
Quebec	171,102,255
New Brunswick	348,628
Nova Scotia	2,151,351
	$330,872,575

BUTTER—SALES FOR INDUSTRIAL USES

Mr. SENN:

How many pounds of Canadian butter was sold for industrial uses in each of the last five years for which figures are available?

Mr. MAYHEW: Figures are available only for butter sold for industrial uses for 1944, 1945 and 9 months of 1946 as follows: 1944, 4,224,733; 1945, 3,898,891; 1946 (9 months), 2,317,214.

EXPERIMENTAL FARMS—ALBERTA GREY SOIL SUBSTATIONS

Mr. SHAW:

1. Has the government, or any department thereof, given consideration to the establishment of an experimental substation in the grey-wooded soil zone of Alberta?
2. If so, has any decision been reached?
3. Has a definite site for such an experimental substation been determined?

Mr. GARDINER:

1. Yes, consideration has been given to the establishment of two such units in Alberta. One on grey-wooded soil typical of that which occurs in the Peace River territory served from the experimental station at Beaverlodge. The second in central Alberta to make it possible to study problems associated with crop production in the area served by the experimental station, Lacombe, Alberta.

2. The site for the substation in the Peace River district has been decided upon and plans are under way to start work this spring. The location of the site for the substation in central Alberta has not been finally decided.

3. The grey soil substation for the Peace River district has been located at McLennan, Alberta.

DEPARTMENT OF TRANSPORT—M. F. BIGGS

Mr. EMMERSON:

1. Is Mr. M. F. Biggs employed at Moncton, New Brunswick, by the Department of Transport?
2. If so, on what date was he first employed?
3. What are his (a) age; (b) position; (c) duties?
4. Was he formerly a member of the permanent forces of the militia?
5. If so, was he retired on pension, and of what amount?

Mr. McCANN:

1. No.

2, 3, 4 and 5 answered by No. 1.

EXCISE TAX AND PRICES—REFRIGERATORS

Mr. COLDWELL:

1. Was the price of certain commodities, and particularly refrigerators, reduced to the consumer by 25 per cent when the excise tax of that amount was discontinued?
2. If not, was the recent increase of 10 per cent allowed to be charged on the manufacturer's price, including the discontinued excise tax?

Mr. MAYHEW:

1. No. The responsibility of the board has been to hold prices as nearly as possible to basic period levels rather than to force reductions below those levels. The relief so provided to domestic manufacturers offset cost increases which occurred both before and after the elimination of the excise tax and made it possible for the basic period ceilings to be maintained for a considerably longer period.

2. The recent increase of 10 per cent on refrigerators applied to the then maximum prices. The adjustment was made in accordance with the board's usual policy of adjusting ceiling prices where production costs have risen to the point that a representative portion of the industry can demonstrate need for price relief in terms of their operating results.

INCOME TAX—INTEREST AND PENALTIES

Mr. DIEFENBAKER:

What is the amount of income tax and interest and penalties thereon owing in each district office for income tax for each of the years 1939 to 1945 inclusive, in respect of (1) individuals; (2) corporations?

Mr. McCANN: (For taxation division). The records of this division are not maintained in such a manner as to give the information requested.

[*Later:*]

On the orders of the day:

Mr. DIEFENBAKER: Mr. Speaker, on a question of privilege, I submit that is not the kind of answer that members of this house

are entitled to when such a simple question is asked: What is the amount of income tax owing in several years, and the amount of interest and penalties thereon. Through you, sir, I suggest to the minister that my question be put back on the order paper, and that it be answered in accordance with whatever information the department has. If the department has no information as to income tax by districts, we are in a much more serious position than any of us believed.

[*Later:*]

Mr. GRAYDON: I think the hon. member is entitled to an answer, Mr. Speaker.

Some hon. MEMBERS: Order.

Mr. GRAYDON: The matter cannot be brushed off by the government quite so easily as that. The minister should make some explanation in reply to the hon. members' question.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Speaker, may I express my utter astonishment at the answer that has been given, and ask Your Honour not to let this pass? Surely this is a barefaced attempt to refuse the information which the member has rightfully asked.

Some hon. MEMBERS: Order.

Mr. GRAYDON: Surely we do not require an atomic bomb to get information out of the government.

Mr. McCANN: Mr. Speaker, the representations which the hon. member for Lake Centre (Mr. Diefenbaker) has made with regard to the answer given to his question will be given the utmost consideration, and if it is at all possible we shall try to meet his wishes with respect to an answer.

Mr. GRAYDON: Does that mean the question goes back on the order paper?

Mr. McCANN: Whether it does or does not, we shall try to give the answer.

BOOKLET "DESIGNED FOR USE"

Mr. DIEFENBAKER:

1. How many copies of the booklet "Designed for Use" have been printed?

2. How many have been distributed? What has been the total cost thereof?

3. Who was the author and how much did he receive therefor?

Mr. FOURNIER (Hull):

1. 6,000.

2. (a) 4,188, to date. (b) $1,243.91.

3. (a) Donald W. Buchanan, National Film Board. (b) Nil.

[Mr. Diefenbaker.]

WAR ASSETS CORPORATION—WAREHOUSING EXPENSES

Mr. FRASER:

1. What was paid by war assets corporation during the fiscal year ending March 31, 1946, for warehousing expenses?

2. What items are included in these expenses?

Mr. McILRAITH: The answer to this question is to be found in item (1) (a) under "Trust Account Items" on page 21 of the second annual report of War Assets Corporation from April 1, 1945 to March 31, 1946 which was tabled on August 16, 1946 as sessional paper No. 95.

WAR ASSETS CORPORATION—BUILDING OPERATIONS AND IMPROVEMENTS

Mr. FRASER:

1. What was paid by war assets corporation for building operations and improvements during the fiscal year ending March 31, 1946?

2. What items are covered by these said payments?

Mr. McILRAITH:

1. Details regarding building operating expenses are to be found in the answer to a question by Mr. Fraser at page 1320 of *Hansard* for March 13, 1947. However, War Assets Corporation spent $220,417.91 for building alterations and improvements during the fiscal year ended March 31, 1946.

2. This amount represents the cost of materials and supplies as well as the work performed by outside contractors in altering and improving buildings occupied as offices by War Assets Corporation and is distributed between the head office and the various regional and branch offices as follows:

Head office, 4095 St. Catherine St. W., Montreal	$210,631.08
Quebec office	525.00
Ottawa office	331.67
Newfoundland office	169.23
Halifax office	5,388.70
Moncton office	51.29
Toronto office	591.93
London office	395.63
Calgary office	499.00
Vancouver office	1,825.98
Regina office	8.40
	$220,417.91

TRIBAL CLASS DESTROYERS

Mr. MOORE:

1. Were tribal class destroyers built in Canada during the war?

2. If so, how many were built?

3. At which shipyards were they built?

4. How long did it take to build and equip them for war service?

5. What was the cost of each destroyer to the government?

Mr. CLAXTON:

1. Yes.

2. Four (two completed, two still under construction).

3. Halifax Shipyards, Halifax, N.S. (hull); John Inglis Company, Toronto, Ont. (machinery).

4. First destroyer—3 years, 4 months; second destroyer—4 years, 3 months; third and fourth destroyer—still under construction.

5. The first two destroyers were built under a single contract and the cost of an individual destroyer is therefore not available. The cost of building the first two destroyers, including hull, machinery, electrical work and installation of armament was $15,903,759.05, or an average of $7,951,879.52 each, not including sales tax. The cost of armament and fire control equipment which was supplied from the Naval Service was $671,183.75 per ship.

While final costs of the last two destroyers are not available, it is anticipated that the construction costs of these two ships will probably be somewhat less as development costs were absorbed in the cost of the first two ships.

WAR ASSETS CORPORATION—EXPENSES ON MULTIPLE-TENANCY PROPERTY

Mr. FRASER:

1. What was paid by war assets corporation during the fiscal year ending March 31, 1946, for expenses on multiple-tenancy property?

2. What properties are covered in these expenses?

3. From whom are each of the said properties rented or leased?

4. To what firms, or individuals, were the aforesaid moneys paid?

Mr. McILRAITH:

1. $227,287.10.

2. Properties located at 425 River Street, Verdun, P.Q. (formerly Defence Industries plant) and 37 Hanna Ave., Toronto (formerly part of John Inglis plant).

3. Both properties are crown owned.

4. Verdun project—

Prime contractor: Collet Freres Ltee.

Sub-contractors: L. Cournoyer Reg'd.; K. V. Gardner Ltd.; Bedard & Girard; Duromastic Asphalt Co.

Toronto project—

Prime contractor: Canada Electric Co.

Sub-contractors: John H. Moffat; W. G. Crawford.

AGRICULTURAL PRICES SUPPORT BOARD—PERSONNEL

Mr. WRIGHT:

1. Did the government give any assurance to the Alberta Farmers' Union and the United Farmers of Canada, Saskatchewan section, that they would appoint a member of the agricultural prices support board recommended by these organizations?

2. Have the A.F.U. and U.F.C. Saskatchewan section, submitted names for such an appointee?

3. Has the government appointed such member? If so, what is his name?

4. If not, why has such appointment not been made?

Mr. GARDINER:

1. No assurance was given with respect to the appointment of members of the agricultural prices support board. Membership on the advisory committee to the board was discussed and assurance was given that any names submitted would be referred to the Canadian Federation of Agriculture, of which both the Alberta Farmers' union and the United Farmers of Canada, Saskatchewan section, are members and that any names submitted by them would be considered for appointment. It was the intention to appoint the members of the advisory committee to the agricultural food board, together with two additional representatives from the Canadian federation of agriculture, as the advisory committee to the agricultural prices support board.

2. Yes.

3. The members of the agricultural prices support board have been appointed, but the advisory committee has not yet been appointed. It is expected that the advisory committee will be appointed in the immediate future.

4. See answer to No. 3.

INCOME TAX—ARRANGEMENTS WITH PROVINCES

Mr. CHURCH:

1. Has the government taken any action by way of federal allowance to the province of Ontario in lieu of income taxes formerly allowed by the province?

2. Has the government taken any action to call another dominion-provincial conference?

Mr. MACKENZIE KING:

1. The proposal of the dominion government for tax agreements with the provinces was set out in the budget address delivered on June 27, 1946. It was subsequently modified in a press statement by the Minister of Finance issued on January 25, 1947. The text of this statement is contained in the pamphlet entitled: "Dominion-Provincial Conference—Correspondence since the Budget of 1946 on Matters of Substance Regarding Tax Agree-

ments with the Provinces", which was printed by order of the house passed on January 30, 1947.

2. The position of the government respecting the calling of another conference is set out fully in the correspondence tabled in the house on January 30, 1947, and printed in the pamphlet referred to in the answer to question No. 1.

INCOME TAX—MARRIED WOMEN

Mr. TIMMINS:

How many married women paid income tax—in 1946—in respect to salaries alone (as contrasted from those who paid income tax on investments) and what was the aggregate of the income tax so paid?

Mr. McCANN: (For taxation division). As the 1946 income tax returns are not due to be filed until April 30, 1947, the information requested is not available.

Arrangements have been made to assemble statistics for 1946 so as to be able to reply to a question of this nature but for no previous year would we be able to furnish the requested information.

FAIRBANKS, U.S. AIR BASE—FLIGHTS OVER CANADIAN TERRITORY

Mr. BENTLEY:

1. Have United States superfortresses, operating from Fort Ladd air base at Fairbanks, Alaska, flown over Canadian territory?
2. If so, has it been with the knowledge and the authority of the Canadian government?
3. What is the purpose of these flights?

Mr. CLAXTON:

1. Yes.
2. Yes.
3. Joint Canadian-American surveys of meteorological and communication problems for future international air routes over arctic areas.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME PRICES AND TRADE BOARD—SOLICITORS' FEES

Mr. WHITE (Hastings-Peterborough):

1. With reference to subsection 2 of section 9 of P.C. 8528 and amendments thereto of the wartime prices and trade regulations, in cases where more than one charge is to be laid against an individual, who makes the decision (a) to lay one charge covering all offences, or (b) to lay a separate charge for each alleged offence?
2. If a separate charge is laid for each offence what difference if any does this make in payment of legal fees to the solicitor retained by wartime prices and trade board in the prosecution of the various charges?

[Mr. Mackenzie King.]

FEDERAL CONTRIBUTIONS TO HOSPITAL ADDITIONS

Mr. FRASER:

1. Have any departments of the dominion government made any contributions to hospital boards or municipalities towards the cost of building additions on hospitals?
2. If so, what were the amounts of contribution in each case and where is each hospital located?

GOLD MINING

Mr. FOURNIER (Maisonneuve-Rosemont):

1. How many gold mines are in production in Canada, by provinces, at the present time?
2. What quantity of gold was mined in each province in the years 1935, 1940, 1945 and 1946?
3. What is the average cost of production of one ounce of gold in Canada?
4. What was the value, per ounce, of gold in Canada for the years 1930, 1935, 1940 and 1945?
5. How many persons are employed in each province, as miners or otherwise, in the production of gold?
6. What was the quantity of gold exported by Canada in the years 1930, 1935, 1940 and 1945, and to what countries?

FEDERAL AID FOR HIGHWAYS

Mr. KNOWLES:

1. Has the government received in 1946 and/or 1947 any representations calling for federal aid for highways?
2. If so, what terms were proposed in any such representations?
3. Has consideration been given to this matter and what is being done at the present time?

MOTIONS FOR PAPERS

BRITISH PREFERENTIAL TARIFF—INTERNATIONAL TRADE CONFERENCE

Mr. HARRIS (Danforth):

For a copy of all letters, cables, briefs, or other communications exchanged since January 1, 1944, between His Majesty's government in Canada and His Majesty's governments in other parts of the commonwealth on the subject of the British preferential tariff.

Mr. ST. LAURENT: Production of the documents requested would require the consent of the governments concerned. Moreover, most of the papers are secret or confidential.

Since the question of preference is most closely related to the subject matter of the united nations trade discussions which began in London last October, the present position on preferences in their relation to the trade discussions can be found in the report of the first session of the preparatory committee of the united nations conference on trade and employment, which I tabled some weeks ago.

I believe it would be quite useless to ask for the consent of the other government, with respect to the tabling of correspondence that has been exchanged as secret and confi-

dential. A similar question was raised in the House of Commons at Westminster on January 28, 1947. Mr. Belcher, replying for the president of the Board of Trade, said:

In accordance with the procedure agreed at the meeting of the preparatory committee in London last autumn, the various countries concerned are addressing requests for tariff adjustments to each other as a preliminary to the tariff negotiations which are to be held concurrently with, and as part of the work of, the second session of the preparatory committee later this year. It would be improper to make public the contents of such requests.

As regards the general question of imperial preference, however, I would invite the hon. member's attention to the statement about the Anglo-American financial agreement made by the Prime Minister in the House of Commons on December 6, 1945.

Because of the widespread interest in this matter, perhaps I might be permitted to place on *Hansard* the statement made by Mr. Attlee in that connection, and which represents what the position still is in that regard. He said:

There is one particular matter arising out of the terms of article VII of the mutual aid agreement which is of especial interest and importance to the British commonwealth and empire—that is the question of tariff preferences. I would therefore refer shortly to that aspect of the American document which deals with both tariffs and tariff preferences.

The statement sets forth the procedure to be followed by common consent in considering, in the context of a general lowering of tariffs and other trade barriers, what contribution can be made from our side by way of reduction or elimination of preferences.

The statement makes it clear that, in pursuit of the objectives of article VII of the Mutual Aid agreement, we for our part are ready to agree that the existing system of preferences within the British commonwealth and the empire will be contracted, provided there is adequate compensation in the form of improvement in trading conditions between commonwealth and empire countries and the rest of the world.

The statement further provides that in entering negotiations for the reduction of tariffs the parties concerned will not refuse to discuss the modification of particular preferences on the ground that these are the subject of prior commitments; on the contrary, all margins of preference will be regarded as open to negotiation, and it will of course be for the party negotiating the modification of any margin of preference which it is bound by an existing commitment to give a third party, to obtain the consent of the third party concerned.

Further points to be noted are:

(i) The statement makes it clear there is no commitment on any country in advance of negotiations to reduce or eliminate any particular margin of preference. The position is that each country remains free to judge in the light of the offers made by all the others, the extent of the contribution it can make towards the realization of the agreed objectives.

(ii) It is recognized that reduction or elimination of preference can only be considered in relation to and in return for reductions of tariffs and other barriers to world trade in general which would make for mutually advantageous arrangements for the expansion of trade. There is thus no question of any unilateral surrender of preferences. There must be adequate compensation for all parties affected.

The statement does not in advance of the detailed negotiations lay down how far the process of reduction and elimination of preferences will be carried at this immediate stage. It must be realized that some preferences are of particular importance to the economy of certain parts of the world just as some tariffs are important in others. The elimination of all preferences would be such a step as would require a most substantial and widespread reduction of tariffs and other trade barriers by a large number of countries. Thus it is recognized that the degree to which the final objectives can be reached at the initial stage can only appear at the negotiations themselves and as the result of a mutually advantageous settlement.

All the subsequent correspondence that has been asked for since has been along the lines of that statement.

Mr. COLDWELL: Does that statement of Mr. Attlee substantially represent the views of the government of Canada also?

Mr. ST. LAURENT: That statement is substantially in accord with the instructions given to our delegation when it left for the second part of the world trade conference.

In order to complete the information hon. members may be interested in having tabled at this time the plan of work for the second session of the preparatory commission of the international conference as forwarded to us by the secretary general of the united nations under covering letter of March 4, 1947.

Mr. HOMUTH: Could that be put in *Hansard?*

Mr. ST. LAURENT: It is quite long. Perhaps it could be printed as an appendix to *Votes and Proceedings* for the information of hon. members.

Mr. CHURCH: I suggest that the motion stand until the hon. member for Danforth (Mr. Harris) returns tomorrow.

Mr. ST. LAURENT: I have no objection to allowing the motion to stand if that is the desire, but I imagine after seeing the statement I have just made the hon. member will be quite prepared to have it dropped.

Mr. SPEAKER: Dropped.

VETERANS LAND ACT—KAMLOOPS—VALLEYVIEW PROJECT

Mr. FULTON:

For a copy of any report or reports made to the Minister of Veterans Affairs following the recent special investigation into the cost, construction and condition of the houses in the

"Valleyview" project built under the Veterans' Land Act at Kamloops, B.C., and particularly of any recommendation as to refinancing submitted therewith.

Mr. MACKENZIE: The final report of the committee of inspection has not been completed, but I fully expect it will be during the course of this week. I informed my hon. friend accordingly this morning and he is willing to allow this motion to stand.

Mr. FULTON: Is it the intention to table any part of or the total report when it is received?

Mr. MACKENZIE: That will be subject to further consideration. At the present time it would appear to be the intention so to do.

Motion stands.

PRICE CONTROL—COST AND SAVING TO CONSUMERS

Mr. KNOWLES:

For a return showing (a) the total cost of the government's price control programme during the entire period thereof since the outbreak of world war II, together with a breakdown of said total in such manner as may be readily available, and (b) the amount saved by Canadian consumers as a result of this programme, together with a breakdown of this figure and an indication as to the basis used in computing the same.

Mr. MAYHEW: I should like to direct attention to the fact that while section (a) of the motion can be answered, section (b) cannot. The hon. member will have to accept the return as being applicable to section (a) only.

Mr. KNOWLES: Could not an attempt be made.

Mr. SPEAKER: Carried as amended.

INDIA—SUEZ CANAL—PALESTINE

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams and other documents exchanged between the governments of Great Britain and Canada or any member or officials thereof, and also between the governments of Australia and New Zealand and the government of Canada, or any officers of officials thereof, during 1946, relating to the abandonment of (a) India; (b) Suez Canal; (c) Palestine.

Mr. ST. LAURENT: I am sure the hon. member will realize that correspondence of a secret or confidential nature between governments is not normally made public without the consent of all the governments concerned. It is the practice for governments of the British commonwealth of nations to communicate freely with one another on all questions of common concern, but such communications are not in general intended to be made public. It is the view of the Canadian government that with the present international situation as it is, it would not be reasonable to request the consent of the United Kingdom government to the tabling of any correspondence on the position in India or Palestine or in connection with the Suez Canal. It is felt it would be embarrassing to them in their international relations at the present time even to seek their consent for the publication here of these documents. I hope the hon. member will accept this and not insist that we ask them for a consent which we realize it would be embarrassing for them to give at this time.

Mr. CHURCH: Everything in the empire is being given away. There will soon be nothing left to liquidate.

Mr. SPEAKER: Dropped.

[*Later:*]

Mr. ROSS (St. Paul's): With regard to the motion for papers in the name of the hon. member for Broadview (Mr. Church), Canada is vitally interested in this question and I think the house is entitled to a better answer than the minister has given.

Mr. SPEAKER: Order.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. member knows that when the Speaker calls an hon. member to order he must resume his seat.

Mr. GRAYDON: There are about sixty speakers over there in that corner, Mr. Speaker.

PEACE TREATY WITH JAPAN

Mr. CHURCH:

For a copy of all telegrams, agreements, letters, cables and other documents, exchanged between the government of Great Britain, the governments of Australia and New Zealand, or any officers of these governments and the government of Canada, or any officer thereof; in relation to all these governments acting as an empire unit in the proposed peace terms regarding Japan.

2. And to include all papers regarding any conference held in London recently with the aforesaid three governments and Canada's representatives there, on the same matter.

Mr. ST. LAURENT: I have had a careful search made of the files and there is no correspondence of the kind described in this motion. If the motion were passed we would have to reply that there does not exist any such correspondence in our files.

Mr. CHURCH: All right then; the United States and Russia will have all the Pacific now.

Motion dropped.

CONFERENCE WITH PROVINCES

CONSIDERATION OF QUESTIONS NOT INCLUDED IN AGREEMENTS

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I should like to direct a question to the Prime Minister. In view of the statement made on February 3 last that six provinces have indicated their willingness to make dominion-provincial tax agreements, and in view of the fact that all provinces appear now to have made their budget plans for the coming fiscal year, is the Prime Minister prepared to reassemble the dominion-provincial conference to deal with matters not included in the agreements made, namely, health insurance, old age pensions, unemployment and public works?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in answering one question this afternoon I replied in part to the question just asked by my hon. friend. To be more specific, however, may I direct the attention of my hon. friend to the correspondence that was tabled in this house on January 30 with reference to the dominion-provincial conference. This correspondence contains several communications which relate to the circumstances under which the conference would be reconvened.

Mr. BRACKEN: What was the date?

Mr. MACKENZIE KING: The correspondence was tabled on January 30 of this year, and was subsequently printed in pamphlet form. I have a copy in my hand at the moment. My hon. friend will find in this correspondence different references as to the reconvening of the conference. One that relates specifically to the question which he has just asked will be found at page 55 of the pamphlet, in a letter sent to the Hon. T. C. Douglas, premier of Saskatchewan, dated November 22, 1946. I might read the latter paragraph of that letter:

> My colleagues and I feel that the dominion government should adhere to the position set out in my telegram to you on July 15 last, in the following words:
>
> "The dominion government shares your regret that it has not been possible to include in the dominion offer made in the budget the earlier proposals relating to public investment and social security. However, as emphasized in the budget address, the public investment and social security proposals submitted last August remain an essential part of the dominion government's programme. As soon as there is a sufficient acceptance of the proposed tax agreements we shall be ready to explore in a general conference or otherwise the possibility of working out mutually satisfactory arrangements in regard to the whole or any part of our earlier public investment and social security proposals.

The conditions set forth there have in the mind of the government not as yet been fulfilled. I am therefore not in a position to say at the moment when the conference will be reassembled.

ALASKA

INQUIRY AS TO REPORTED NEGOTIATIONS FOR EXCHANGE OF TERRITORY

On the orders of the day:

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. First I will quote from a telegram that I received just as I came into the house. It is from Seattle, Washington, and reads:

> Skagway—

May I explain that Skagway is a port on the coast of Alaska from which a railway runs through the Panhandle of Alaska, through British Columbia and into Yukon. The telegram goes on:

> Skagway advises Associated Press despatch telephoned by governor Alaska to Skagway mayor that Canada was willing trade strip along Haines highway for Alaska port, presumably Skagway.

I should like to know if negotiations to that effect are going on. If they are, British Columbia has to be consulted, because the road runs through part of that province.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I have never heard of any such negotiations, but I shall make inquiry as to whether before I became Secretary of State for External Affairs there had been any, and if there have been, I shall inform the hon. member.

FLAX

PRICES RECEIVED BY ONTARIO GROWERS IN 1946

On the orders of the day:

Mr. LEWIS MENARY (Wellington North): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Last session I asked him what price the Ontario farmers would receive for their flax, and he replied $3.25 a bushel. A lot of flax was grown in my district and when the farmers marketed it through the elevators in Toronto, and a good deal of it in Hanover, no one received $3.25 a bushel. The most they received was $3.06½.

Mr. SPEAKER: Order. The hon. member should not make a statement in putting his question. He should be brief and to the point.

Mr. MENARY: My question is, why did the farmers receive only from $2.90 to $3.06½ last fall for their flax?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I shall read the question asked by the hon. member and give him what information I can.

POSTAL SERVICE

MAIL CONTRACTS—PROVISION FOR SUPPLEMENTAL PAYMENTS

The house resumed from Friday, March 14, consideration of the motion of Mr. Bertrand (Laurier) for the third reading of Bill No. 17, respecting supplemental payments on mail contracts.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, on the motion for second reading of this bill a question was asked about the payment of bonuses in connection with various contracts, rural routes, staging services and the like, and the Postmaster General agreed to secure the information. The purpose which the opposition had in mind is set forth in my own words at page 689 of *Hansard,* where I said:

> Our purpose in bringing this matter to the attention of the committee—

Mr. Speaker, may I ask for order in the chamber?

Mr. SPEAKER: Order. Hon. members must realize that it is impossible for anyone to hear the member who is speaking. Moreover, it must be very disagreeable to the hon. member himself. I would ask hon. members to moderate their voices.

Mr. DIEFENBAKER: I quote:

> Our purpose in bringing this matter to the attention of the committee is simply to make sure that all mail carriers in Canada shall receive equal treatment in the award of bonus; in other words, that under similar circumstances there shall not be those who will be the haves while others will be the have nots.

In consequence of the request then made, the minister laid on the table the record showing payments of bonuses. I would ask permission of the house to file a list of wartime bonuses by postal districts, indicating the amounts paid to carriers on rural routes, stage services and side services, as well as the five per cent cost of operation bonus covering the same districts and also the same services.

[Mr. Speaker.]

Mr. SPEAKER: If the hon. member has leave of the house he may table the document.

Mr. DIEFENBAKER: I will hand the list to *Hansard.*

Wartime Bonus

Postal District	Rural Routes No.	W.T.B.
Charlottetown	115	$22,578 18
Halifax	47	8,208 56
Saint John	66	12,706 89
Quebec	259	63,069 32
Montreal	315	69,077 31
Ottawa	239	50,562 24
North Bay	18	3,150 51
Toronto	148	27,555 49
London	283	58,962 66
Winnipeg	37	7,087 03
Moose Jaw	9	852 56
Saskatoon	27	3,067 52
Calgary	15	2,078 97
Edmonton	26	3,701 51
Vancouver	35	10,770 97
Total	1639	$343,430 03

Postal District	Stage Services No.	W.T.B.
Charlottetown	2	$211 00
Halifax	53	13,409 45
Saint John	44	13,740 02
Quebec	153	36,677 83
Montreal	78	19,894 40
Ottawa	48	12,620 13
North Bay	21	3,087 00
Toronto	21	5,034 64
London	21	7,255 35
Winnipeg	37	6,419 26
Moose Jaw	37	6,092 61
Saskatoon	33	4,447 51
Calgary	14	6,131 27
Edmonton	37	6,539 05
Vancouver	34	6,963 79
Total	633	$148,523 31

Postal District	Side Services No.	W.T.B.
Charlottetown	17	$1,913 29
Halifax	27	2,668 43
Saint John	29	4,143 20
Quebec	102	17,039 06
Montreal	96	15,238 52
Ottawa	45	5,283 25
North Bay	3	310 00
Toronto	42	4,348 34
London	51	7,712 08
Winnipeg	39	5,082 31
Moose Jaw	36	3,094 29
Saskatoon	27	3,328 58
Calgary	24	3,487 44
Edmonton	26	3,046 43
Vancouver	35	3,727 03
Total	599	$80,422 25

Grand Total—No. 2871—W.T.B. $572,375 59

Five Per Cent Cost of Operations Bonus
(Rural Routes, Stage Services, Side Services)

Postal District	No. of Services	Per Annum Cost (Approximately)
Charlottetown	27	$ 642 00
Halifax	160	4,757 00
Saint John	185	3,125 00
Quebec	222	4,525 00
Montreal	197	7,385 00
Ottawa	241	5,794 00
North Bay	208	3,423 00
Toronto	281	7,884 00
London	311	10,966 00
Winnipeg	405	4,438 00
Moose Jaw	303	3,600 00
Saskatoon	384	3,582 00
Calgary	216	3,226 00
Edmonton	257	3,007 00
Vancouver	225	7,347 00
	3622	$73,701 00

The record indicates that only a percentage of the carriers have received the bonus, and even among those who did receive it, carriers with similar routes and operating under similar circumstances received dissimilar amounts of bonus.

I wish to thank the minister and those associated with him in his department for having furnished this list in the detail in which the information is given. It is very different from the type of answer that was given today, to a very reasonable question, by the Minister of National Revenue, an answer the like of which I have never heard given in this house before. I am sure the minister will see to it that by tomorrow the information that was asked for will be furnished.

Mr. McCANN: As a matter of privilege, Mr. Speaker, the hon. member for Lake Centre need not shake either his head or his finger at me with reference to the answer given to the question.

Mr. DIEFENBAKER: What is the question of privilege?

Mr. McCANN: I will tell the hon. gentleman what it is in a moment. I think I gave him the assurance of one gentleman to another that every effort would be made to answer his question, and if he will possess his soul in peace for a day or two he will receive what I think will prove to be a satisfactory answer.

Mr. DIEFENBAKER: Mr. Speaker, this question had been on the records of the house for a considerable length of time, and if the minister had been able to get away with a shilly-shally answer like that, no doubt he would have thought it sufficient.

An hon. MEMBER: You are out of order.

Mr. DIEFENBAKER: It is the sort of thing I object to.

Mr. SPEAKER: Order. I would point out to the hon. member that the question before the house is the third reading of Bill No. 17, respecting supplemental payments on mail contracts.

Mr. DIEFENBAKER: I was just showing the difference between the two departments. One has furnished full information while the other has asked us to take two bites of the cherry before we can get what we are after. It is to that sort of thing that I am objecting.

On looking over the list of bonuses I find that there is no consistency in the amounts or in the proportions of the increase. In a considerable number of cases the original contract price was more than doubled by the bonus. That is a serious situation, that a person should take a contract under tender and then apply for an increase because of circumstances which existed at the time he got the contract, and that he should receive an amount in excess of the original contract price. I am not going to refer to all the examples.

As I have been able to work it out, there were fifty cases in which the mail carrier was able to get more than twice the amount he actually bargained for. The list reveals a situation that points to unfairness if not discrimination. While I have the assurance of the mnister that there has been no discrimination, on the other hand there can be no doubt that there has been the greatest unfairness in the award of the bonuses, because of this fact if for no other, that the only ones who got the bonus were those who asked for it, and the only ones who asked for the bonus were those who were aware of its existence.

In Saskatchewan a number of the carriers had no information whatsoever on the fact that a bonus was to be paid. I would ask the minister, in making payment of the bonus, to assure fairness to all the carriers everywhere in Canada. Even today, where there has been unfairness by reason of too large amounts being granted, reconsideration should be given those cases. The information that was put on *Hansard* the other day was that the post office had made a surplus of some $11 million last year, and the amount was somewhat larger the year before. In view of the surplus, fairness demands that the bonus be made payable to all who had contracts in 1944 and 1945 and continued them. In the second place I think the time has come for a reduction of postal rates in Canada, in

view of the profit that is being made. In the United States air mail postage has been reduced to five cents per ounce. It is time a similar reduction was made in Canada; and there should be a return to the three-cent ordinary mail rate.

I shall not on this occasion go into all the details, but in order to support my argument that there has been no consistency I would point out that in one case the contract is for $425 and the amount of the bonus is $574.

Mr. BERTRAND (Laurier): Which contract is that?

Mr. DIEFENBAKER: Leclercville, No. 1. The next contract is for $308 and the bonus is $592. In many cases the amount of the bonus is the same as the contract rate. I do not refer to those on this occasion. Here is a contract rate of $560 and a war-time bonus of $790.

Mr. BERTRAND (Laurier): To be fair the hon. member should give the rate per mile, because where there was such a big bonus it never brought the rates per mile higher than the contracts given in the surrounding districts.

Mr. DIEFENBAKER: I have the records before me, and if there is any question about them, my hon. friend may place that record before the house. I have just taken the cases without comment, and there are no reasons given. Originally reasons were to have been given, but the department contended that to do so would have meant too much clerical work. The rate per mile ranges from $28 to $77.77, and many of the increases by way of bonus were given in the higher brackets, in the $45, $48 and $50 a mile class. I referred to certain other cases. At the moment I am taking these in the order in which they come, and am dealing with the Montreal district. In another case the contract rate was $373.50 and the war-time bonus $530. In the Ottawa district there is a case in which the contract rate was $539 and the war-time bonus $561. Let us take some of the large ones. In New Brunswick there is a contract for $3,000 and the bonus given is $1,850. In the Vancouver district is one for $1,200 with a bonus of $1,080.

I now come to some others dealing with stage service. Up to now I have been dealing only with regular mail couriers. There is a contract for $456 and a war-time bonus of $961. There the bonus is twice as large as the contract price, which seems difficult to understand. Here is a case in which the contract rate was $199 and the war-time bonus $348.75; here is another one where the contract was $320 and the war-time bonus $680. In the Ottawa district there is another where the amount of the contract was $1,440 and the bonus $1,560. Here is another outstanding one, where the contract was $95 and the bonus $480, five times the amount of the contract.

Mr. BERTRAND (Laurier): It is unfair to give the figures in that way.

Mr. DIEFENBAKER: I am making my speech.

Mr. BERTRAND (Laurier): Yes, but it is not complete. If you are giving the figures, you should give all the figures.

Mr. DIEFENBAKER: At the moment I have the floor. If the minister wants to answer these—and I imagine that they will be difficult to answer—it will probably take him more time than just an interruption would permit.

Mr. POULIOT: It is not difficult at all. Everything will come in due course.

Mr. DIEFENBAKER: At the moment I am just giving the figures as I go along.

An hon. MEMBER: Give the mileages, dates and names.

Mr. DIEFENBAKER: The names were part of the information I asked for, but they were not furnished in the return. The department said it would take too much time to give all that information.

Mr. BERTRAND (Laurier): The hon. member has in his hand a document showing the detail of what he is saying, and I ask permission to give it.

Mr. DIEFENBAKER: All right.

Mr. BERTRAND (Laurier): The hon. member is referring to Black Lake and the railway station.

Some hon. MEMBERS: Order.

Mr. DIEFENBAKER: The minister may answer these figures later.

An hon. MEMBER: He will.

Mr. DIEFENBAKER: I am not here to interpret them. I am here to point out any inconsistencies. If there is any answer, the minister will be able to furnish it.

Here is another case in the Vancouver district: the amount of the contract is $180 and the wartime bonus $320. And so I might go through the list. The department furnished a list of upper brackets in which is shown the highest amount of bonus paid in each postal district. I have the information here which is asked for by my hon. friend. Here is a contract for $3,995. The amount of the bonus is

$1,177. Here is another one where the contract price is $2,990 and the bonus $2,202. Here is another with a contract price of $700 and a bonus of $1,100; another with a contract price of $1,500, and a bonus of the same amount. Here is one in Alberta where the contract price is $1,900 and the bonus $1,900. All this indicates that there is a vast dissimilarity. The bonus seems to have been awarded on anything but a scientific basis. Certainly it is not fair that while certain persons received ample, substantial or very large bonuses, other couriers in a similar position, by reason of the fact that they did not know of this bonus legislation, received nothing.

The plea that I make is the one made earlier on the part of His Majesty's opposition, that this whole question be reviewed from the point of view of fairness and that couriers operating under similar circumstances receive the same bonus. All we are asking is that equity be assured, that couriers everywhere in this country be on a par, that no group or individual be preferred, that no individual in any part of the country be discriminated against.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have listened with great care to my young friend the hon. member for Lake Centre (Mr. Diefenbaker). I believe he is wrong to feel scandalized about this legislation. It is one of the best acts which have been submitted to parliament. It is in accordance with the policy I have advocated for a long time, namely, to give responsibility to the minister and make him the judge or referee of all that needs to be decided by him. We come to the matter of ministerial responsibility. I have known great ministers in this department. I remember Mr. Veniot; I remember my old friend Bill Mulock, who did very well. The present minister is doing very well, and I should not forget Norman McLarty.

The hon. member for Lake Centre is scandalized because the amount of the bonus is not the same in every case. I do not wonder that he is interested in the mail contracts for his constituency, but he will know very well that from place to place the tenders will vary. He needs only to look at the list for his own county of each rural route, each contract between the station and the post office, and each contract between post offices, to realize that the amount of the contract is not at all the same in each case; that is so, not because of the minister but because of the tenderers themselves. Of course some people consider it a great honour to have a contract with the government; they might frame it and put it in the living room or kitchen with their certificate of citizenship, and be very proud of it. In order to get it they are ready to make any sacrifice. Some tenderers may put in bids so low as to be nonsensical; then later they come to their member and try to have the matter adjusted. While the hon. member for Lake Centre (Mr. Diefenbaker) is not a supporter of the government I am sure he has had similar requests from his constituents. I wonder if he has acted in accordance with them and has made representations to the Post Office Department to have due corrections made. If he has, I am sure he was heard as courteously as I was.

If there was one branch with which I had difficulty for years and years it was that mail contracts branch. So much was that so that for two years, while the former minister was ill, during the interregnum while there was only an acting minister in charge, I did not pay any attention to patronage matters regarding mail contracts. I may tell my hon. friend more. In my county, in regard to mail contracts, I make no difference except when the tenders are the same, provided the man who puts in the bid is capable of carrying out the contract. Therefore I think I am well qualified to discuss this matter; and the difficulties every member of parliament had in that branch were countless because the man in charge is so stupid that when we say "thank you" he has to do something nasty in return. It seems necessary to kick him all the time in order to get justice. Think of that; the man in charge of that branch is an air marshal from the United States—it is honorary, of course—and if a member of parliament says "thank you" to him, then he will turn against that member and become vicious. It is impossible to do anything with him. What does he know about conditions in any part of the country, the hills the mail carrier has to climb, the rivers and streams he has to cross, the snow through which he has to walk? Hon. members who live in cities do not know the problems of the mail carriers, who have to carry on through blizzards and snowstorms. We see pictures of automobiles immobilized on the streets of large cities such as Toronto, and even Ottawa; cars left on street corners under a load of snow, but we do not think of the mail carrier who goes from house to house to deliver letters and newspapers to those who are anxious for news from home or news of a public nature. They carry on their work through all seasons of the year. Some of these contracts, of course, were made a long time ago, when the cost of feeding horses and even the cost of automobile repairs and

gasoline was much lower. When the war came prices went up, and these carriers needed an adjustment. That adjustment was made by the department in virtue of the War Measures Act, and it was on a sound basis.

The figures recited a moment ago by my hon. friend seem rather strange, and not in accordance with the rules of fair play and justice; but it was because the contracts were entirely different at the start that the bonuses had to be different in making an adjustment to a common accepted average. Let me explain it very clearly to my hon. friend. Take two rural routes, each ten miles long. The lowest tenderer for one route may have put in a bid $300 lower than the lowest bidder for the other route. As a result there is a difference of $300 in the two contracts. In the first place the contract was awarded to the lowest tenderer at $300 less; in the second place the tender of the lowest bidder was accepted at $300 more. Therefore if the policy of the department at a certain moment is to establish a common average per mile it is only natural that the first tenderer should get a bonus $300 more than the bonus granted the other contractor.

That is just as clear as spring water. I admire the faculty of the hon. member for Lake Centre for making simple things look complicated; it is a gift. Then he works hard to make himself indignant, and is surprised when there is no general response to his self-made indignation. It is an unusual gift, and he is a master at it. The reason hon. members take his vehement statements with a grain of salt is precisely because he adds too much pepper to his salt. I should have liked to see my hon. friend at the time his party was in power, when the Posmaster General was putting postmasters away for any reason—

An hon. MEMBER: No patronage.

Mr. POULIOT: No patronage. All Liberals were fired, but it was in the name of justice, patriotism and purity of intention; and every time the Postmaster General fired a postmaster he looked at the ceiling, to give the house the impression that he was praying to heaven. He was clasping his hands, and everything was for the good of the country. A postmaster was a Liberal; therefore he was bad. The incoming man was a Tory; therefore he was excellent. That was the policy of "no politics; no partisanship".

One day I had the fun of my life when I made a charge against a Tory postmaster who had been carrying liquor in his rig during the provincial election. I made my investigation and presented my evidence. It was complete. Naturally, however, I did not receive judgment in accordance with the evidence; the postmaster kept his job. Afterwards he said to me, "How did you know that I brought liquor to this fellow in the middle of the night, when you were in Ottawa?" I said, "Don't bother; I know everything you do. My little finger told it to me." Afterwards he was afraid of me; he could not realize it. The evidence was complete, but nothing was done.

There were all sorts of things which promoted the exercise of the worst kind of patronage. I found it so silly that I decided afterwards not to pay any attention to patronage in the Post Office Department. That is why I speak in this way in answer to the hon. member for Lake Centre. Certainly I am not going to crawl before any official of the department, asking for favours, when I can claim rights for my constituents. I want them respected in the Post Office Department.

I pay special tribute to the present minister, because he has redressed many wrongs from which the postmasters and mail carriers were suffering. But not only that; the hon member for Lake Centre does not know the history of his party. In the years gone by the Conservative party did not do only wrong things, as it now does. At that time it was doing some good things, and Conservative members joined hands with Liberals to ask for the redress of wrongs from which mail carriers in particular were suffering.

Redress is now being carried out by the minister. The same would be done for the hon. member for Lake Centre, if he were not so proud and if he deigned to call upon the minister to ask for redress of the wrongs from which his constituents are suffering. I am sure the hon. member would receive a fair answer from the minister. But instead of that the hon. member says, "This is bad legislation." I say it is legislation which will be just as satisfactory for the mail carriers in his constituency as for those in mine.

The minister is responsible to parliament. How many times have I complained about civil servants who seem to be masters of good and bad weather in the department, and whom we cannot criticize or denounce in the house. But today we have a restoration of ministerial responsibility, and for that the minister deserves every credit.

I give credit to the government for this step in the right direction. How many times have we heard the hon. member for Lake Centre complain about fascism, autocracy and des-

potism. While I may complain of that at times, yet I give everyone his dues. This time the government deserves full credit not only for acting in accordance with the old principles of the Liberal party and the Conservative party, but for following the true principles of real responsible government, the true British principles in virtue of which the minister is really the head of his department. He is the one who decides whether something is just or unjust, fair or unfair. Afterwards he submits himself to the control of the House of Commons.

This is good legislation. It is not at all pork-barrel legislation. It is legislation introduced so that every citizen will receive his private mail, newspapers, parcels and the like within the shortest possible time, because the best men will be doing the job. The question before the Post Office Department is not one of examining a few cents so as to get the cheapest service. The important thing is to select the very best men to do the work in the department, so that there will be no delay in the handling of mail.

I congratulate the department, because the service is excellent. When I say that, I leave from my thoughts some of the difficulties I have had with some people who at times are most unreasonable in their treatment of contracts, and who do not act even in accordance with the law.

I shall say no more about the matter today. It is St. Patrick's day, and I do not want to say anything unpleasant to anyone on the feast day of such a great saint. On the other hand the minister is deserving of congratulations on his sponsoring of a bill of this kind. I am sure when the hon. member for Lake Centre thinks about what has just been said he will realize that it is in the interests of his constituency, as well as in that of every hon. member, to remove all discrimination and thus make things smoother for a better postal service.

Mr. C. E. STEPHENSON (Durham): Mr. Speaker, I should like to speak briefly on this bill before it is given third reading. I have examined the report tabled by the Postmaster General (Mr. Bertrand) setting out bonuses paid to rural mail drivers, as authorized by order in council. It reveals that many rural mail carriers received bonuses much larger than their original contracts, while others received no bonuses at all. Here are some examples of bonuses being paid in amounts greater than the original tenders. In the first of these the original contract was for $308 and the bonus paid was $592. In the second instance the contract price was $360 and the bonus $480. Another shows a contract price of $302 with a bonus of $339, and still another gives a contract price of $308 with a bonus of $365.

We may compare these figures with others, one of which gives a contract price of $500 and a bonus of only $85. I cannot see where there is any comparison at all. This report reveals that on a mileage basis some drivers receive as much as $77 while others receive only $20.

I am sure all hon. members will agree that mail drivers should receive remuneration sufficient to enable them to carry out their duties efficiently, and also that there should be a system of equitable remuneration for services rendered. In my own riding I find that out of some fifty contracts, twenty-four received no bonuses whatever, and apparently these men had no idea that bonuses were being paid. Under the present hocus-pocus-or-bonus-bonus-who-will-get-the-bonus system, the whole thing is nothing less than a farce and should be changed as soon as possible. I do not think these men can be equitably paid under the present system. A mileage basis of payment would not be equitable when one driver's route is over rough country or township roads, up and down hill, and another driver's route is over paved roads. Nor do I think mail drivers should be paid on the basis of the number of boxes on their routes.

May I be allowed to make a suggestion which I think would improve the system of rural mail delivery. I would suggest that all mail drivers be paid on an hourly basis. A survey could be made to determine the actual time it takes for a driver to cover his route, having regard only to the delivery of His Majesty's royal mail and other duties pertaining thereto. Allowance should be made also for the use of horses in extremely bad weather. Having arrived at the number of hours it takes to cover a certain mail route, I suggest that the driver be paid at the rate of $1.10 or $1.20 per hour. That rate would cover the driver's time and the use of his car or horses or other type of vehicle. I think this would give the driver a reasonable amount for gasoline and oil and depreciation on his equipment.

A mail route requiring five hours to cover would work out to $5.50 per day, with the yearly remuneration on the basis of 312 days amounting to $1,716. I think that would be a fair basis on which to pay rural mail drivers. This system would permit the driver to purchase good equipment of a uniform nature, as I mentioned the last time I spoke on this matter. I suggested that the equipment possibly could be a standard coach,

with all cars painted a similar colour. Then there could be attached a sign bearing the coat of arms and reading, "His Majesty's Royal Mail." This sign would not be allowed on the car when it was not being used for the delivery of His Majesty's mail. A driver might need his car for only three or four hours a day and would want to make use of it at other times for other purposes, so the sign would be permitted on the car only when it was being used for the delivery of the mail. Last time I suggested that these cars might be painted red, but after considering that they would be driven over dusty roads, and having been in the car business for a number of years, I would now suggest grey or gunmetal, with a red sign to be put on or taken off.

I offer these suggestions realizing that while they may not be perfect they might offer a means of improving one of our services which is of paramount importance to our country, and of bringing about a better distribution of His Majesty's mail.

Mr. MAURICE LALONDE (Labelle): Mr. Speaker, it is a well known fact that wages of mail carriers should be readjusted. I was much impressed with the remarks of the hon. member for Lake Centre (Mr. Diefenbaker). He offered criticism of both the department and the minister, and his criticism reveals that he is not a great statesman. I am sorry to have to say that it is pitiful that a man of his standing should make these unfair statements. Let us say in a particular case the original contract was for $100 and the war-time bonus has increased this to maybe $500. My hon. friend should not be scandalized because he knows that every case must be studied and adjusted individually.

I heard with great interest the proposition of the hon. member for Durham (Mr. Stephenson) and I congratulate him upon having made a concrete proposition. It is the first time since I have been here that I have heard anything concrete from the benches over there on this matter of the mail carriers. However I am afraid that I cannot accept his proposition because I do not see how the department could follow a mail carrier around on his route if he is to be engaged by the hour. It would take a flock of inspectors to follow these men and adjust their wages or salaries according to the work done.

Mr. BOUCHER: How does the hon. member expect the Postmaster General to be able to adjust the bonuses he has been giving?

[Mr. Stephenson.]

Mr. LALONDE: It is quite easy to find out the difficulties in carrying out a contract over a set route. It does not need a flock of inspectors to tell the department that in certain cases the work is worth a certain amount of money. If I understand the proposition made by the hon. member, it is that nearly all rural mail contracts would be paid on an hourly basis, but I wonder how the department would be able to carry on.

Mr. STEPHENSON: Inspectors are sent out all the time from the district offices to inspect the mail routes. If we were to change the system it would be an easy matter to send out inspectors to determine the reasonable time in which a route should be covered.

Mr. LALONDE: I am respectful of my hon. friend's opinion but I do not share it. I wish to say to the hon. member for Lake Centre that it is not fair to the department and to the minister simply to give a list of contracts without giving further particulars or explanations. It is true that in my district nearly all the contracts have been readjusted. In every case where a contractor came before the minister and offered sound evidence in support of his proposition the contract was readjusted fairly, even though he was not a political friend of mine.

Those in my district who are complaining that they did not receive additional compensation or a readjustment are precisely those who did not make application for it. Those are the facts. I do not say that every contract has been readjusted, but those which have not been can be readjusted if the contractors will take the trouble to bring their case before the minister and the department. Therefore I think it is unfair to tell the house and the country that the Postmaster General (Mr. Bertrand) was unjustified in his actions because some contracts were not readjusted while others were given large increases in compensation.

In resumé it is my contention that the minister and the department deserve praise, for in every case where the contractor took the trouble to build up and bring before the department a good case, based on sound evidence, justice was done and the suggestion of the hon. member for Lake Centre cannot be accepted.

Mr. J. S. SINNOTT (Springfield): Mr. Speaker, being an Irishman, and this being the 17th day of March, I wish to congratulate all the Irishmen in the house. I also wish to extend my congratulations to the Postmaster General (Mr. Bertrand), who is a good Irishman.

I wish to congratulate the Postmaster General upon the efforts he has made to readjust many of these mail contracts. He has a big task on his hands, there being thousands and thousands of rural mail carriers, and of course it is impossible for him personally even to attempt to readjust all these contracts. But in every case that has been brought to his attention a fair adjustment has been made.

I do not think the proposal made by the hon. member for Durham (Mr. Stephenson) is sound. We have had both Liberals and Conservatives in power for long periods and I suppose there have been fair-minded men in both parties, but obviously the programme he outlines did not commend itself to either party or it would have been put into effect some time ago. It would be impossible to get the mail carriers to work on the lines he suggests, because sometimes it takes two hours and sometimes ten hours to cover a route. Therefore I do not think his proposal would be of any value at the present time. I am sure that if the Postmaster General is given a fair opportunity to deal with the problems that arise from time to time a fair adjustment will be made in every case.

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, I was surprised to hear the hon. member for Durham (Mr. Stephenson) refer to a bonus as high as $75 a mile having been granted. Did I hear him correctly?

Mr. STEPHENSON: It was $77 a mile.

Mr. BERTRAND (Laurier): I will explain why.

Mr. LOCKHART: Just a moment, please. If it was only $67 or $57, in addition to the amount set out in the contract, I am indeed surprised to hear it because one of the officers of the department made the statement to me recently in connection with a contract where a tender in the neighbourhood of $100 a mile had been submitted, "If you think for a moment that we can ever pay $100 a mile for rural mail delivery, the idea is absurd." There are about 300 boxes on this route and conditions are sometimes very difficult. After what this official said to me, I am more than surprised to hear the hon. member for Durham say that in bonus alone $77 a mile has been paid. There must be something wrong somewhere.

Mr. BERTRAND (Laurier): The hon. member is making a mistake.

Mr. LOCKHART: I will give the minister the details afterwards. This statement was made to me within the last forty-eight hours.

Mr. BERTRAND (Laurier): The $77 includes the bonus and the contract price.

Mr. LOCKHART: If anything like $100 a mile is being paid there are plenty of these contracts that need looking into. I know what the conditions are in some on the rural routes in my constituency and, now that my eyes are being opened as to what is being paid in other places, I can assure the minister that I am going to make a thorough check on this matter. I would ask him to explain why the statement was made by one of his officials that it would be absurd to pay anything like $100 a mile, in view of the statement of the hon. member for Durham that a bonus of $77 a mile is being paid.

Mr. A. J. BROOKS (Royal): Mr. Speaker, in my constituency I have as many rural mail carriers as in any other constituency, 133 altogether. So far as the bonus is concerned, from the information I have received I am satisfied that very few of the rural mail carriers in my constituency were aware of the fact that a bonus was being paid. I have the list of 133 carriers here and I find that forty-eight received the bonus and thirty received what is known as an operational bonus, which runs from a minimum of $4.20 to a maximum of $59.55. I was very much surprised to hear the hon. member for Labelle (Mr. Lalonde) say that practically all the rural mail carriers in his constituency had received the bonus. It looks to me as if there had been great discrimination all across this country. I am not blaming the present Postmaster General (Mr. Bertrand) because he has been in office for only a short time, and I think most of these difficulties arose before he took office. But when we are told that one constituency receives almost one hundred per cent attention so far as the bonus is concerned and another receives less than twenty-five per cent, surely that is an indication that there is something wrong.

So far as the act itself is concerned, I believe that the Postmaster General will administer it fairly. I trust that he will. We have listened to the ravings of the hon. member for Temiscouata (Mr. Pouliot) about what happened years ago, and I know that, so far as the appointment of postmasters in my constituency is concerned, what he asserts was true. I do not doubt the hon. member, but I know something of what happened at that time, and I know of very few Liberal postmasters who were dismissed in my own province, from 1930 to 1935. I do know, however, that prior to that time, when we had a postmaster general from New Brunswick, a Conservative postmaster had no chance at all and was dismissed with little ceremony.

Mr. WINTERS: Shameful.

Mr. BROOKS: Yes, it was shameful, and I have no doubt it happened in the hon. gentleman's constituency of Queens-Lunenburg as well, because I have found that there is no more hard-bitten person in the country than a Nova Scotia Grit.

However, that is not what I rose to say. I hope that in the administration of the measure, when it goes through, the minister will show no discrimination. These men have worked for a mere pittance for a great many years. Perhaps it has been their own fault, but some arrangement such as the hon. member for Durham has recommended might be found to work out, though perhaps not 100 per cent along the lines he suggested. Some such arrangement, however, should be made because these men are rendering a valuable service; they have worked hard for many years, and I suggest that they should be recompensed adequately for the work they are doing.

Mr. J. M. MACDONNELL (Muskoka-Ontario): I rise to bring one point to the attention of the minister in case there may be anyone else in the house who is in the same position as myself. I have listened carefully to the debate, I have listened in particular to the figures given, which, on the face of them seem to require considerable explanation, and on the assumption that the minister will make a statement before the conclusion of the debate, I earnestly suggest to him that these figures which have been given should not be left unexplained.

I have heard hon. gentlemen opposite say that they were satisfied with everything, that these awards were fair and just. I have no reason to think they are not fair and just, but how on earth any hon. gentleman opposite—and presumably they know no more about the figures than I do—is prepared to certify that he knows about the matter, I do not know. Therefore I repeat that it is in the interests of the administration, in the interests of this house, that we be not left with the figures now outstanding, which are quite without explanation, and which on the face of them would indicate that there have been great inequalities in dealing with different men. There may have been reasons for this, and if there are we should have them. If the minister would take some of these cases, that seem so unusual and excite wonder, and explain them we might all be satisfied.

Mr. A. J. BRADSHAW (Perth): At the last discussion of the rural mail question I asked the minister what was the highest bonus paid in any one case and he did not seem able to give me an answer. We see that there are great differences in the amounts paid out. The minister was asked on February 21, by the hon. member for Brant (Mr. Charlton), certain questions which will be found reported at page 671 of *Hansard:*

Mr. Charlton: I want it to be quite clear that I am not against the principle of this bill; it is just the manner in which these bonuses are paid. I understand the difficulties with which the Postmaster General is faced. He said yesterday that the operational bonus of five per cent was paid on all routes. In our own case he said it was not true.

Mr. Bertrand (Laurier): I said that the first bonus given in 1941 was a five per cent increase; it was an increase on the general cost.

Mr. Charlton: It was not paid to all contract holders.

Mr. Bertrand (Laurier): Yes, it was. I said that it was paid to all contracts, the rates of which were determined on or before the 21st day of April, 1941.

I know of a case in my own riding where a man was a contractor in 1941. He is getting a rate of $720. He receives no operational bonus and no war bonus and his rate is $33 a mile. He has to go over rough and hilly country. In other cases in my own county the rate has risen to $52.06 a mile. I think there is some discrimination in these cases. I am sure the minister will be able to give some explanation when he replies, because there does seem to be this discrimination. I have nothing further to say at the moment.

Mr. W. CHESTER S. McLURE (Queens): I have not much to add to what has been said with reference to these contracts of mail couriers, but there is one matter which I do not quite understand. I refer to the document that was tabled the other day, a statement of services where war-time bonus is in effect or was authorized on February 24. As regards my own constituency, I was complaining, the last time I spoke on this subject, that out of seventy-eight couriers only a very few had been receiving the bonus. I take it, according to this new list that has been furnished, that every one of them except three will be paid this bonus as authorized on February 24, 1947.

These people do not now have to make application for this bonus. It will be paid to them as authorized on February 24 when the opposition urged upon the Postmaster General (Mr. Bertrand) that the couriers should be paid the bonus even if they did not take the trouble of asking him for it. Well, we have gained that much so far.

I say to the Postmaster General that, in all fairness to those who did not ask for the bonus, it should be made retroactive to them so as to give them a square and honest deal in comparison with their neighbours who had been receiving the bonus. I am sure the Postmaster General will give the question his consideration.

In going over the list, so far as my constituency is concerned, I find there is still discrimination with regard to mileage under similar conditions. I do not know on what basis the Post Office Department figured out the bonuses, whether they took the cost basis of $40 a mile or $30 a mile. I find, however, that in my constituency there are seventy-eight mail couriers, of whom seventy get from $30 a mile up to $45, and there are seven getting from $45 a mile up to $74 a mile. There seems to be this difference right through our mail contracts. To put the matter into more concrete figures, we can start at $30. Half a dozen men receive $30 a mile, and the rate goes up, although the conditions under which they are operating are exactly the same.

There is another thing that we have gained on behalf of our mail couriers. We find that when the new list comes out there are about seventy-five in different places who have been added and are now to have both bonuses extended to them. Again I say that, in all fairness to the mail couriers, they should have the bonus made retroactive to the very time when the other men were getting it.

The hon. member for Labelle (Mr. Lalonde) said that in his constituency every one of them had received the bonus.

Mr. GAUTHIER (Portneuf): That is not what he said.

Mr. McLURE: He led us to believe that they had all received it.

Mr. GAUTHIER (Portneuf): He certainly did not.

Mr. McLURE: Well, let us take the minister's own words. Because a man did not apply for it is no reason why he should not have been given it. The department knew that it was due him. Why should he not have received it? Why should they have discriminated against anyone?

Mr. FOURNIER (Hull): The man was satisfied.

Mr. McLURE: Did the minister expect any man to come all the way from Prince Edward Island to get a small bonus? Not at all. When they knew that amount was due them, they should have paid it. It is not as if we were asking the department to pay more money than they should pay out of their surplus. I maintain that, where the mail courier was entitled to it and is now going to get it, it should be made retroactive in order to square him with others who have been receiving it all along. I think I can make the statement that, had the hon. members for the dual constituency of Queens county been notified about this, my colleague and I would have seen to it, I am sure, that all our men had the proper amount paid to them.

I now wish to say a few words with reference to the suggestions which have been made regarding mail couriers and how they should be paid. I believe there is something in the suggestion made by the hon. member for Durham (Mr. Stephenson), that they be paid on a time basis or a trip basis. I notice that the best contract in my constituency is one that is paid on a trip basis, at $5 a day. That man with a route of twenty miles gets $5 a trip. He is not getting too much but is paid on a fair and honest basis.

A few days ago a mail contract came to hand for which tenders are being called in my constituency. The man has been receiving $600, and is required to leave home in the morning about a quarter to six because he must be ready to go on his mail route at seven o'clock. It takes him fifteen or twenty minutes to get to the post office. Then it takes him over an hour to sort his mail. Last year I put up a plea for the mail couriers operating out of the central post office at Charlottetown, of whom there are some eight or ten, asking that they should be provided with a mail clerk to sort the mail properly for each of the rural routes. That is quite a job. The unfortunate part of it is that, in the winter time particularly, they have to go in early, and the horses which they must use at that time have to stand out in the cold weather for an hour or an hour and a half because stabling facilities are not near at hand. All these matters should be considered with reference to these men who are operating out of the central office at Charlottetown.

I am in favour of getting down to some mileage basis by means of which we could deal evenly and fairly with all mail couriers. I believe that if the Postmaster General were to have a committee of this house set up, they would be able to go quite a distance in arriving at a proper basis for all these contracts.

Again I wish to say that in Queens county, Prince Edward Island, our contracts with all the couriers who are doing such excellent work are not on an equitable basis. The man with the longest route seems to be the one who really gets the lowest rate per mile. The distance is some forty-seven or forty-eight miles; he has 148 boxes and he gets some $42 a mile. In contrast with that, some others, with not more than one-third of that number of boxes, are getting $48 to $52 a mile. As I said, I should like the Postmaster General to explain fully what is meant by the authorized

bonus. Will it be paid to all mail couriers, and will it be made retroactive to those who did not apply for it?

Mr. J. A. CHARLTON (Brant): I wish to say just a few words before this bill is given third reading. As I said before, it is with the principle on which this bonus is paid that we are having the greatest difficulty and about which we are complaining. The hon. member for Temiscouata (Mr. Pouliot) says that there is a big difference in routes. We all concede that. He also went on to say that the Postmaster General (Mr. Bertrand) was trying to set a common average. I very much disagree with that statement for this reason; even the Postmaster General found great fault with the hon. member for Lake Centre (Mr. Diefenbaker) in giving the different bonuses without giving the mileage rate afterwards. I agree that in some cases the mileage rate does not appear to be so bad. But why is there a difference of $20 to $77 a mile? I cannot conceive of any route being worth a difference of $57 a mile. Probably the Postmaster General can give us reasons for that.

The hon. member for Temiscouata also made the statement that the Conservative government while in power had fired some of the Liberal postmasters. All I can say to that is that probably he has had his turn for a considerable number of years.

The hon. member for Labelle (Mr. Lalonde) made the statement that practically all the couriers in his constituency had received bonuses. These statements would lead us to believe that with regard to this order in council some hon. members have been "in the know" and some have not. I contend that all the couriers should have been notified that this bonus was available. That would have been only fair. I have twenty-five couriers in my own riding. Twelve of these have received bonuses and thirteen have not. If a bonus was good for one, why was it not good for another? In some cases the bonus has been much higher than the amount the contract called for. Then again it would lead us to believe that some of these couriers could have tendered low in order to get the contract, and could have been assured that they would get a bonus which would bring them up to probably twice the amount submitted by the second lowest tenderer. I contend that is very unfair.

I repeat that it is the principle on which these bonuses are paid that I am finding fault with. If a bonus is good for one it should be good for all, and the bonuses should be paid in such a manner as to make them apply evenly to all. As I said before, the difference between $20 and $77 a mile is very unfair, and I do not think conditions on any route in this country would justify a difference of $57 a mile.

I believe the hon. member for Durham (Mr. Stephenson) had a very good idea, and I do not think it would be as difficult to carry it into effect as the hon. member for Labelle (Mr. Lalonde) would have us believe. The inspectors in these districts are or should be capable of going over a route. Surely they could come to some figure which was nearly average, at least, having in mind the number of hours it would take for a man to deliver the mail on any route. They could take into consideration road conditions, the number of stops and all the rest of it, and I think that suggestion was about as fair as any I have heard. I still contend that these bonuses could be paid on a fair basis, and I would suggest that the Postmaster General give every consideration to putting them on a mileage basis, in some reasonable way.

Hon. ERNEST BERTRAND (Postmaster General): Mr. Speaker, I thank those who have taken part in this debate. Some ideas have been expressed which in the beginning appeared to be good, but which, when examined, did not measure up so well. We must begin at the beginning; we must remember we are dealing with people who have tendered, who have asked for a contract at a certain price. It may be absolutely true to say this is unfair to some who did not ask for enough, but if we indict the tender system today in regard to rural mail delivery or any other mail contracts, we indict the tender system generally; and heretofore it has been recognized by all parties that the tender system for contracts is the fairest system we have been able to find.

Of course we could follow another system and pay a contractor so much an hour, after having found out for ourselves how many hours it would take to fulfil a contract, on good and bad days. When this question was first argued, however, quite a number of hon. members on the other side said that we had in our hands what they called a pork barrel, that asking permission to make supplementary payments to certain people constituted a pork barrel of the first magnitude. Well, if we were to give contracts to gentlemen at so much an hour, and, in addition, pay for the gasoline used and so on, we would no longer have any people to tender, and we would have

a real pork barrel in our hands which would permit us to give these contracts to whomever we wished.

This is the point we had in mind at the headquarters of the Post Office Department for many years when we were considering what we should do in order to help these rural mail contractors. Perhaps I might tell hon. members a very short story. Once I was appearing for the respondent in a case before the court of appeal in Montreal. My adversary was rising and arguing, not exactly following the etiquette which does not permit a lawyer to get up more than once, and I was getting up each time myself to reply; but I was told by Chief Justice Greenshields, who was presiding, that is was not necessary for me to see that my adversary understood the case in order to win it.

I explained most of these matters when this legislation was brought in two weeks ago, but perhaps I should repeat certain things I said then. Starting with the point that these contracts result from tenders, and that unfortunately there are people who have put in these tenders at prices which are too low; I admit that; otherwise we would not have given any bonuses. Starting with that point, however, I believe it might well be that someone put in a tender at a price so low that, if something had not been done, he would have had to abandon his contract. In fact many of these people told us they would have to abandon their contracts unless we gave them a bonus. That was why we passed the second order in council in 1943, which allowed us to make up the discrepancy.

When we adjusted these contracts with those who asked that this be done, we took into consideration certain factors, among many others, because there were factors that had to be taken into consideration which pertained only to certain types of contracts. We looked at the rate paid for similar services in the same locality. We scrutinized those prices. Special attention was paid to the rates being obtained by tender for other similar services, as indicating a trend. We took note of the date at which the contract was entered into, in order to determine the degree of change in operating costs. If a contract had been granted perhaps only three or four months before the tenderer applied for a bonus, he would not get it, because he must have known at that time that the cost of living was increasing, the cost of labour was going up. The tenderer must have known that material was becoming harder to get, and so on. This will explain why, under the law today, we cannot grant a bonus to anyone who has had a contract for less than twelve months. If the date at which the contract was entered into was not available, tender results in other areas were accepted as indicating a general trend. Consideration was given to the general increase in the wages of labour. In certain places that increase was much greater than in others. In Vancouver, for example, we found that the cost of labour had increased much more than in certain cities in the east.

Mr. LOCKHART: I see $111 per mile is paid in one place.

Mr. BERTRAND (Laurier): Yes, but that is for a special reason.

Some hon. MEMBERS: Oh, oh.

Mr. BERTRAND (Laurier): The hon. member for Lake Centre (Mr. Diefenbaker) is laughing, but I know he will not laugh all the time. Any peculiarity entailing unusual difficulty in performing the service, or inconvenient hours of service, were also taken into consideration; for instance, that would enter into the service between a railway station and the post office. If a train comes in at half-past one, or two o'clock, or three o'clock in the morning, we have to pay more than in the day time. Then there was the matter of inconvenient hours of service, such as early morning, and the irregularity of train service, nature of the roads, and so on.

The decision was based on the foregoing, mainly the result of the individual judgment of an officer who has been for twenty-five years in the department. Since so many factors enter into the picture, there are undoubtedly discrepancies, none, however, which are not warranted.

The extent of the bonuses granted in 1943 was lower, on the average, than the bonuses granted in succeeding years. This is accounted for by the fact that rates submitted following tenders are showing a steady rise. When some of these contractors asked for bonuses they told us that they were going to abandon their contracts which, according to the written contracts, they had the right to do.

In certain instances we have asked for new tenders. I have given the figures before. Wherever we asked for tenders, the Post Office Department has had to pay more than when we passed on a contract with the same contractor, and granted him a bonus, often the bonus he was asking for. I believe this was better, because a man might have an automobile, or he might have been using horses. It would be better to continue the contract with him and to give him the bonus

than to take a new tenderer at a much higher price than was asked by the one who would continue with the contract price plus bonus.

All applications for bonuses were not granted. There are many cases where the rate asked for is excessive for the work performed, even under existing circumstances. This is a fact which is borne in mind when any proposal to cure the situation by granting a flat increase to all mail contractors is put forward.

Someone referred to the hon. member for Labelle (Mr. Lalonde) and to the fact that in his constituency a large number of mail contractors have had bonuses. Well, in this respect some of the bonuses asked for were abusive, and we then asked for tenders. Some of the tenders came with such high prices that we refused to accept them. The result is that there are two or three rural routes today in the hon. member's constituency where there is no service. We are waiting till such time as we can supply a service at a reasonable price.

In dealing with any application for bonus, steps are taken to ascertain when public tenders were last invited for the service under consideration. If tenders were received within twelve months of the application, the tenders are scrutinized to determine the degree of competition and particularly the rate of the second lowest tender. This is taken into account when deciding the amount of any bonus granted.

We were asked for details, and as a result we prepared these documents which were tabled last week. They were prepared following the request of the hon. member for Lake Centre, and were shown to him before they were deposited in the house. We asked him if he was satisfied with them and he said he was. We have not given the reason why certain figures have been given in each instance, but that information can be obtained by considering the context, and by taking note of the frequency, the number of miles, and the boxes to be served, et cetera.

Mr. DIEFENBAKER: Rising to a point of order I was told it would be impossible for several weeks to get those details. That is the reason they are not given.

Mr. BERTRAND (Laurier): That is right. If it was impossible to get those details for several weeks, it would not have been convenient to have left this measure standing perhaps to the end of March. Had this happened, we would have been obliged to drop the bonuses, unless in the meantime another bill were passed extending them. But to give the figures as my hon. friend has done, without giving them completely, does not give a true picture.

I hold in my hand a document—I believe the hon. member had it—in which a comparison is made. This sets out the highest amount of bonus paid in each postal district for stage service, side service and rural mail service. When we consider these matters we must take into account whether it is a stage service, et ceteria. It will be understood that a stage service is a service of mail delivery between post offices, sometimes over long routes, and serving intermediate post offices. It also gives service between railway stations and post offices, if the distances exceed three miles. The side service is between railway stations and post offices for routes less than three miles. Of course all hon. members are familiar with the rural mail service.

I should like to place on record one example in the Saint John district, between St. Gregoire and Saint John, with six frequencies. It is a return trip of 118·5 miles. The contract price was $2,990, and we gave a war bonus of $2,202.67. Even at this price, after giving a bonus of $2,202.67 on a contract price of $2,990, the rate, including the bonus, was just fourteen cents a mile. I think no one will say that is too high.

Mr. STEPHENSON: Is that the correct figure?

Mr. BERTRAND (Laurier): Yes.

Mr. STEPHENSON: Or should it be $14?

Mr. BERTRAND (Laurier): No, fourteen cents a mile.

Mr. DIEFENBAKER: That was stage coach, was it not?

Mr. BERTRAND (Laurier): That contract had been tendered at a price of almost seven cents. It was increased to almost double that figure, to give fourteen cents. These long routes are covered by automobiles or buses or trucks, depending on the mail they have to carry and the number of stations served.

Mr. DIEFENBAKER: Who was the contractor, please? Was it not a stage?

Mr. BERTRAND (Laurier): Yes, it is a stage service, carrying mail, and it may also carry something else.

Mr. DIEFENBAKER: That is not the rate per trip, though.

Mr. BERTRAND (Laurier): Surely fourteen cents a mile is not too much.

Mr. STEPHENSON: That is per trip?

Mr. BERTRAND (Laurier): Per trip mile.

Mr. CHARLTON: That figure is out $43.68 per year mile.

Mr. BERTRAND (Laurier): Surely that figure is not too high.

Then, let us take one in the Montreal district, from Farnham to the Canadian Pacific railway station. This is a city service between the station and the post office. The distance is 1,300 rods and there are eighty-five trips a week. The contract price was $822.28 and the war-time bonus amounted to $977.72. Even with the bonus, this works out at only forty-one cents a trip, to carry mail 1,300 rods. We do not think that payment is unfair to the treasury.

I shall not attempt to give the particulars of all these contracts, but here is one mail route in Vancouver where there are six trips for a distance of thirty-two miles. The contract rate was $1,200 with a war-time bonus of $1,080. This works out to $71.25 a mile, one of the highest we have. However the hon. member did not mention that there are 383 boxes to be served. The other routes referred to by the hon. member did not have nearly as great a number of boxes. Before this man starts his route, he must sort his mail and that takes a long time. The cost of labour is very high in this district and that was also taken into consideration. I have given three contracts which, at first sight, might be considered to be fair, but when everything is taken into consideration it will be seen that these are on a par with other contracts that have been adjusted.

I have another one here, a stage service from Halifax to Sheet Harbour. There are three trips for a distance of 82·9 miles. The contract price was $3,995.18 with a war-time bonus of $1,177. This works out to only twenty cents a mile, which surely is not too much.

A number of questions were asked, but most of those questions did not take into account the fact that we are dealing with contracts which were obtained on tender. The basic price was fixed by the contractor who would know the route and who, it would be supposed, would take great care to tender sufficiently to be able to make money. I admit that in some cases people are tendering too low, but surely it is not for the government to pass a law obliging tenderers to bid higher. If we were fixing prices it would have to be an average price on which the tenderer could make a fair living. I am quite sure that if that were done a large number of tenderers would bid the minimum price, and then we would have to choose. We would then have what some members are afraid of, a pork barrel to play with.

I admit that we are dealing with a difficult problem, but this law will be in force for just one year or for sixty days after the opening of the next session. At that time any contracts that have been closed out because of the death of a contractor or because a contractor may not want to continue will be put up for tender under the old system and the contract will be given to the lowest tenderer, provided that he has the necessary equipment to do the work.

Mr. STEPHENSON: The minister says that the tenders will be accepted, no matter what the prices are. Sometimes a man will knowingly tender at a price which will not permit efficient service of the route. Does the minister agree that the government should exploit those men?

Mr. BERTRAND (Laurier): No.

Mr. STEPHENSON: That is what you are doing. You are accepting the lowest tender, knowing that the man cannot reasonably carry out his contract.

Mr. BERTRAND (Laurier): I like the sympathy the hon. member is expressing for the gentlemen who pass on tenders. However, if we do not abide by this rule we shall have to put aside the tender system, not only in the case of small contracts, but in the case of contracts to build buildings such as the beautiful ones we have here. We must have some yardstick—

Mr. STEPHENSON: May I ask one more question?

Mr. BERTRAND (Laurier): I have not finished. We must have some yardstick unless we succeed in finding another way to pay these contractors.

Mr. SPEAKER: I am sorry to interrupt, but I would direct the attention of the hon. gentleman and the minister to the fact that we are considering the motion for third reading and hon. members are allowed to speak only once.

Mr. BERTRAND (Laurier): Mr. Speaker—

Mr. SPEAKER: Unless the minister has the unanimous consent of the house he will be obliged to abide by the rules.

Mr. CRUICKSHANK: May I say a word in connection with the Fraser valley—

Mr. SPEAKER: I understand that the minister is answering a question.

Mr. CRUICKSHANK: I thought he had not closed the debate.

Mr. BERTRAND (Laurier): We must carry on like this unless we find a way of paying these people so much per hour. That is something we shall have to consider.

Motion agreed to, bill read the third time and passed.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS

The house resumed from Friday, March 14, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 25, to provide for the sale and export of agricultural products, and on the proposed amendment thereto of Mr. Nicholson.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, when the debate was adjourned on Friday night one of the principal speakers on the amendment offered by the hon. member for Mackenzie (Mr. Nicholson) was the Minister of Agriculture (Mr. Gardiner), who gave an interesting talk, informative at times, a bit fantastic in one or two spots, a mixture of fact and fancy of the kind in which the minister frequently indulges.

I do not think there is any doubt in the minds of the members of this particular group about the bill that has been presented doing the job which the minister says the government wants done. We have no doubt about that whatsoever. But we want a lot more. We agree that the contracts which the government have made with other countries must be carried out, and if thiis vehicle is the only one they can conceive of for doing that job, we are not going to stop them from having this vehicle. But we want to make it clear that to us it is simply a horse and buggy compared with what the farmers of this country want. They want the orderly marketing of farm products and cooperative and democratic control of the machinery of that marketing, and we support their demands and will continue to do so on every occasion in this house. We also believe that, while it may be difficult at this late date, a marketing act such as is forecast in the amendment offered by the hon. member for Mackenzie would give the minister and the government an opportunity to do all that can be done under this bill, and, as well, something more. Had it been started early enough and conceived with some of the vision that the Liberal party claims to have, we have not the slightest doubt in our minds that something of that kind could have been done. I think I am safe in saying that the minister himself believes that, because at the last minute he brought in an amendment to a section of the bill dealing with apples, which indicates that he considers it necessary to have some marketing control over interprovincial trade. That is a clear indication that the minister felt that way from the start.

Another thing we do not like about this bill is that we recognize that these contracts will not last forever. Very few of them expire this year, and this bill terminates at the end of this year. As a matter of fact it is only a nine-months bill, and it will terminate at a time when parliament is not sitting. If there is no election this year—I do not know whether there will be or not; I do not know whether the minister knows—

Mr. BURTON: If he does, he won't tell.

Mr. BENTLEY: "If he does, he won't tell", my hon. friend interjects. I presume this session of parliament will be over before the end of this year. The bill does imply the possibility of a session of parliament in November and December, which may or may not happen. The bill itself will expire on December 31 next. Some of the contracts, the minister says, will not expire until 1948 and some in 1949. At least contracts for two very large items will not expire until 1949. This means that parliament will have to go through this process year after year until the government finally get rid of these contracts and do something else which they may envisage at that time, if they are still in their seats over there.

The hon. member for Humboldt (Mr. Burton) asked the minister what a transitional period was. The minister was pointing out the transitional nature of this bill. He replied that he did not know what the transitional period would be, and he does not believe that anybody else knows. I agree with the minister that he does not know and that nobody else in this house knows what the transitional period will be. Not even the minister himself can give us a definition of the transition from war to peace or from this period to that, and tell us what will take place. It is a frank admission that private monopoly enterprise is always in a transitional stage, and we shall always be having bills of this kind unless we frankly face the transitional nature of our present-day society and make plans with some degree of permanence and vision.

There are times when the Liberals believe that they do know when the transitional period will end. They say they believe they know and they have paid out money at

certain periods to support their belief. I have here a page from the Toronto *Star Weekly*, of May 26, 1945, which was shortly before the last election, and at that time it was indicated quite clearly that the Liberals did know, and they spent money to have this advertisement printed, stating they believed they could foretell the end of the transitional period. They said they had the necessary plans for going ahead, with some permanence to their plans. I will quote one paragraph of this advertisement and underline four words when I get to them. The advertisement says:

The all-important question today is the civilian staff-work and leadership which we call "government."

The "we" is the government. It goes on:

The Liberals have a working plan.

I do not know how many times we in this party have been criticized for urging a planned society. We have been criticized by all kinds of members of that party in the house and by their workers outside for talking of a planned economy.

Mr. GIBSON (Comox-Alberni): You have not a plan. It is a nightmare.

Mr. BENTLEY: The hon. member says that our plan is a nightmare. I shall have to go back on the offer I made to him the other day when he told the Prime Minister that he would not be looking to him for a job, and when I told him, "If you are down and out, we will give you one when we get in." Evidently my offer was a nightmare, and I now withdraw it.

Let me continue with the advertisement:

The Liberals have a working plan.

Then mark these four words:

It's big and bold!

Mr. MacINNIS: Bold or bald?

Mr. BENTLEY: "Bold" is the word here, but perhaps "bald" would be better. This nine months' bill is neither bold nor big, because the minister admitted in reply to the hon. member for Humboldt that he has no idea how long the transitional period will last. But the Liberals have a working plan, and it is big and bold! So says the advertisement. It goes on:

Parts of it are outlined for your judgment in the left-hand column.

There will be a lot of judges of this working plan, and some of them have judged it already. It goes on:

It has been designed with the aid of the keenest minds in every phase of industry, agriculture, labour and learning.

Some of the keenest minds in agriculture have circulated among the members of this house this document. It is called:

Here is exact demand of Canadian farmers; their draft act for dominion natural products marketing legislation as submitted to cabinet.

That is from the Canadian Federation of Agriculture. I turn back to the advertisement. It says:

The Liberals have a working plan . . . It has been designed with the aid of the keenest minds in every phase of industry, agriculture, labour and learning.

I have heard other members deal with the plans of these keen minds regarding labour, education and so forth, and I submit that if this bill has been drawn up with the aid of the keenest minds in agriculture it is a distinct slap in the face for the officials of the Canadian Federation of Agriculture, who believe they have keen minds too. The advertisement goes on to say:

The plan will work. In fact it is already bringing results.

It will continue to do so! The Liberals can tell you this with confidence because they have had successful experience in operating nation-wide plans.

I would say that they have had experience in operating on a transitional basis. Some of their operations on a transitional basis would make one smile a little if it were not so annoying.

Just by way of a little interlude, Mr. Speaker, I would exhibit to the house a little sample of private enterprise and planning to indicate some of the things they do during the transitional period. These are Kleenex tissues I hold in my hand. Here is one. This is what private enterprise is making at the present time and, in spite of the demand for the other kind that I have here, almost three times as large, they are supplying this smaller tissue. You go into a drugstore to buy the big kind and they offer you the small. I ask, "Why can't I get the larger kind that I want?" The answer is, "They are all sold." That proves that the demand is there. You have only to look at the Minister of Veterans Affairs (Mr. Mackenzie), and myself and other members too, to realize that a man-sized nose cannot get along with this smaller kind.

Mr. MacNICOL: He can use two, can't he?

Mr. BENTLEY: That is a sample of the transitional nature of private enterprise as explained by our good friends the Liberals in their talking and also in their advertising of big, bold plans.

Mr. JOHNSTON: They have quite a blow.

Mr. BENTLEY: They have. The minister took occasion the other day to indulge in quite a bit of fantasy, as he does every once in a while, and one of the most fantastic portions of his speech was his recitation of the experience he had when visiting a certain gentleman who had previously visited Regina. This person had told him about his visit there, and how this visitor had come to the conclusion, from his interviews with government officials there, that the province of Saskatchewan had built up its socialist regime and all its cooperative institutions in the period of a couple of years. Of course the visitor had not known that. The minister implied that he put him right. I think the minister must have been intending to imply some criticism of the C.C.F. which was not fair, and he frequently takes occasion to point out that the Liberal party, particularly in Saskatchewan, is to be credited with the great development of cooperative enterprise in that province. I pay the minister the personal tribute of believing that he is just as proud as I am of the things that have been done in that province in that field. I will admit that the rise of these associations and organizations took place for the most part when the Liberals were in power, but some of them took place when Tory governments were in power. I shall have to refute emphatically, his claim to credit for his party or the claim of any political party.

Let me give a reason for that assertion. The first wheat board was established under a Union government which was neither Liberal nor Tory. The establishment of that board and its operations gave the farmers of the west the idea that there was something good in the principle of orderly marketing. They made a demand for its continuance in 1921 and 1922. At that time we had a Liberal prime minister in Ottawa, a Liberal premier in Saskatchewan and Manitoba and a U.F.A. premier in Alberta. The cooperative wheat producers, that is, the wheat pools, of these provinces arose by the action of the farmers themselves after the failure of the parties I have cited, who had failed to meet the demand which the farmers had made. These organizations were born in spite of the Liberal party and not because of it, and I wish to make that abundantly clear.

In his talk, the minister mentioned another organization out there, the cooperative creameries. He made the following statement which will be found at page 1391 of *Hansard:*

> When I was first premier of Saskatchewan, between 1926 and 1929, I had all the creameries in Saskatchewan amalgamated under that organization prior to 1929.

[Mr. Johnston.]

It would take more than forty minutes for me to tell the house the whole story, but if I had time to tell the whole story of cooperative creameries—and I know it from the start until now—hon. members would be highly amused at the minister's statement, and I do not think the minister himself would be made very happy by the recital.

Mr. GARDINER: You need tell only one thing.

Mr. BENTLEY: I can tell it all.

Mr. GARDINER: The Liberal government of Saskatchewan put up $65 out of every $100 that went into the building of the Saskatchewan cooperative creameries and $85 out of every $100 that went into the building of the cooperative elevators.

Mr. BENTLEY: And they got it back. I would say this in connection with cooperative creameries, that it has been only in the last two years that the cooperative creameries of Saskatchewan began to operate according to the cooperative principles and standards of the Rochdale plan. The dairy pool arose, like the wheat pools, in spite of the Liberal government, through the organization of the farmers themselves. I wonder why the minister makes such statements. The member for Humboldt sat in the Saskatchewan legislature, in His Majesty's opposition, when the Liberals were in power. At that time a cooperative organization owned the Modern Press, a large printing institution in Saskatoon. The Liberal party claims to have given great assistance to cooperatives, but the Liberal government gave that cooperative newspaper no job printing whatsoever. Pardon me; they gave them $50 worth of printing in all those years. The minister's statements do not stand up under examination. I should like to make these points quite clear.

The minister mentioned the cooperative refinery in Regina. That was organized in 1931 and 1932, when we had the only Tory government we ever had in Saskatchewan sitting in Regina.

Mr. HOMUTH: Too bad you have not one now.

Mr. BENTLEY: We do not think so. My hon. friend is entitled to his opinion in that regard, but he does not live there. If the minister wishes to give credit to Liberals for certain institutions out there he must give credit to the Tories for the cooperative refineries. I will not join with him in giving that credit, but, in distributing his garlands

he must be fair to the party that sits at the other end of this side of the chamber, the Tories.

Mr. GARDINER: You never had a Tory government in Saskatchewan. It was called a Cooperative government.

Mr. BENTLEY: Just before six o'clock I should like to finish this particular part of my talk. In connection with these matters I have been discussing, we do not claim as a C.C.F. government to have built the cooperatives, but we claim that we are of the people in the province who did build them under Liberal and Tory regimes.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BENTLEY: Mr. Speaker, when the house rose at six o'clock I was dealing with the attempts of the Minister of Agriculture to take credit for the development of the cooperative movement in Saskatchewan. I mentioned that the Liberals cannot take that credit; neither can the Tories; and I want to make it very clear that the C.C.F., as a political party, does not take that credit either. But as individuals, all of us here took a pertinent part in the building of this movement, just as individual citizens, in spite of any other political party. Because of that we have now a government in Saskatchewan which is sympathetic to cooperatives; we have in this house a group which is sympathetic to cooperatives; and after the next election we shall have a sympathetic government here. However, before I leave this point, I wish to mention that the minister insisted on taking that credit. If he is going to take the credit for one thing, he will have to take the credit for others. The C.C.F. party was born during the regime of the Liberals in Regina and Ottawa; it was baptized during the regime of the Tories in Regina and Ottawa, and it reached adult age during the Liberal regime at Regina and Ottawa. If the minister wishes to take credit for that, he may, although I do not know whether we shall give it to him. But he should be as willing to take credit for that as he is to take credit for some of the other developments out there. The next time he makes a public statement here or outside, I hope he will make it clear that he assisted in building the Cooperative Commonwealth Federation.

Mr. GARDINER: I assisted in trimming the cooperative government.

Mr. GIBSON (Comox-Alberni): He should be very proud of his handiwork.

Mr. BENTLEY: I think he is.

The amendment moved by the hon. member for Mackenzie is, I think, worthy of some consideration here. It is in three parts, after the preamble. It asks that this bill be not now read a second time but that it go to the committee on agriculture and colonization with instructions that they have power to recommend provision for, first, the regulation of interprovincial trading. I have pointed out that that is apparently acceptable to the minister in that he has already introduced an amendment to the bill itself for the handling of apples. Without any other comments on that, may I point out that the second provision of the amendment is for more democratic control by the producers of the proposed board or boards. I have dealt with that in the earlier part of my speech this afternoon; that is part and parcel of our philosophy and belief, and is what we in this group shall continue to promote. The third paragraph asks for provision for a long-range marketing programme instead of a transitional programme. This afternoon and evening I have tried to point out why we believe these things are so necessary. We believe that, had the government not been so transitional in its ideas, it could have prepared a marketing bill early enough which could have had in it all the necessary machinery to handle what Bill No. 25 is designed to handle, and also all those things which we believe should be handled by the marketing board.

In closing, I wish to say this definitely. I am about finished with my remarks, and I want to give the minister this opportunity to give us some assurance. If this group had had a real assurance that a comprehensive agricultural products marketing act would be introduced at this session or not later than the start of next session, we would have taken very little part in this debate; and even now we would consider favourably the withdrawal of our amendment upon receiving that assurance. We have no desire to obstruct the passage of this bill. We simply wish to have some assurance that the position we have taken will be given some encouragement in the very near future. As I say, we are not opposing the bill or the principle of the bill. We simply believe that this bill should have been enlarged in the first place. We think it could be enlarged now if the time were spent on it, but we are prepared to forgo that time, provided that we can have the assurance that

we shall get the type of bill we believe is necessary if we facilitate the passage of this particular bill.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I shall delay the house but a very few minutes in placing before hon. members the position which this group takes with respect to Bill No. 25. The government has made certain international agreements for Canada to supply wheat, bacon, cheese and some other products to other countries. We realize that the government must be able to get the commodities with which to fulfil its commitments under those agreements. The purpose of Bill No. 25 is to provide the machinery by which the government may be able to get those products to fulfil international agreements. We feel that the bill confers on the minister very wide powers which ordinarily we should not like to confer on any minister of the crown. The provisions of the bill are to have effect for only one year; and because it is an emergency transitional bill to meet a certain set of circumstances that have arisen out of war time, this group will not put up a battle on the principle of the bill itself.

We are, however, strongly opposed to giving the minister the right to set up commodity boards as provided for in this bill and clothing them with extraordinary powers which are enunciated in the various clauses thereof. In this respect I would say we are thoroughly in accord with what was said by the hon. member for Yale (Mr. Stirling). We urge the minister to make use of existing producer boards or those which might come into existence later under the various provincial marketing acts. These producer boards, I feel sure, are prepared to cooperate with the federal government in any way that they can. It seems to me that the whole principle of orderly marketing ought to be based upon the fundamental principle of keeping control of the producers' product as close to the producer as possible. Whenever the minister does require certain natural products for the purposes of fulfilling his agreements with Britain or any other country, he should direct that such commodities be purchased from the producer boards wherever possible. The obligation for him to do this should be clearly stated in the bill. The measure we are considering does make it possible for the minister to direct the purchase of commodities for the purposes of the act from provincial marketing boards; but, as I read it, there is absolutely no obligation upon him to do so.

I should now like to say just a word in regard to a natural products marketing act.

This group think the government should bring in at a very early day; in fact, we think before this they should have prepared and brought into this house, a bill providing for the orderly marketing of natural products in Canada. I am inclined to agree with the minister that we should not attempt to tack on to this bill, which is for an emergency transitional period, a long-range, comprehensive marketing measure. I do not think it wise to attempt to do that. We consider that the new legislation which should be brought in, and which we are urging the minister in the strongest possible terms to bring in, should be substantially as asked for by the Canadian Federation of Agriculture. Amongst other things it should provide for these: first, for orderly interprovincial and international trading in natural products; second, for the recognition of provincial marketing boards and producer boards as sources of supply. Every encouragement should be given the provinces to put through enabling legislation, under which every effort should be made to organize producer boards, to keep some control over the produce of the farmers right where it belongs, in the hands of the producers themselves. I do not believe it is wise to let these boards rest, in their control of the products raised, on a mere majority. I should say that when a substantial majority, let us say something between seventy and eighty per cent, of the producers of any natural product voluntarily agree to set up a board for control purposes, then I believe the control of the entire supply of that product should be vested in the board. Anything less than seventy to eighty per cent I do not believe could possibly be successful.

The third thing I believe should be in any marketing bill is protection of the right of the producer to be consulted through the medium of his board, particularly by the minister, as to prices and other matters, before he makes agreements with any country which might affect or set the price of the farmer's products. We have seen so many examples in this country of agreements having been made without consulting the producers of the products. Then this parliament has been asked to ratify those agreements, or to take action which would support the minister in fulfilling their terms. Finally, the new marketing legislation should give full recognition to provincial authority over property and civil rights, as is provided in the constitution. The place of the dominion in any long-range marketing scheme should be mainly that of an agent or clearing house for the producer boards and/or the provincial marketing boards.

We have before us the amendment proposed by the hon. member for Mackenzie (Mr. Nicholson). I am not particularly favourable to that amendment at this stage. I do not think it has very much relationship, if any, to the bill before us. I should rather prefer to see an amendment similar to or exactly the same as the one suggested the other evening by the hon. member for Yale (Mr. Stirling). But under the circumstances, since this is the only amendment we have before us, and in order to show the people that this group do support the idea of a well thought out, well set up, long-range orderly marketing scheme for Canada, we propose to support the amendment, and ask that at the earliest possible day the minister bring down in this house legislation of the type asked for by the Canadian Federation of Agriculture.

Mr. GARDINER: Might I ask a question before the hon. member sits down?

Mr. LOW: Certainly.

Mr. GARDINER: I should like to ask if the hon. member has given thought to the idea that to pass the amendment kills the bill.

Some hon. MEMBERS: No.

Mr. LOW: I suggested, Mr. Speaker, that it was not a question of supporting the amendment because I wanted to see such an amendment in this bill, but on behalf of our group I wanted to indicate that we undoubtedly support the idea of a new, comprehensive natural products marketing bill.

Mr. GARDINER: That is exactly the point; the house is being asked to vote against the principle of this bill and in favour of the principle of another bill. That kills this bill.

Mr. ROSS (Souris): That is not what you said the other day.

Mr. GARDINER: There would not be any possible way of carrying out the agreements already signed with Britain under a marketing bill such as has been discussed by hon. members opposite. There might be a possibility of doing that twelve months from now, if the proper boards were set up, but there would not be any possibility of starting on April 1 and doing that job through those boards. To pass the amendment—I am not saying it would pass, even if the Social Credit group should vote for it—would be to kill this bill, because there would not be any such bill in existence any longer.

Mr. LOW: I do not believe the adoption of the amendment would kill the bill. In any event I am quite sure various amendments will be proposed in committee. I am simply trying to indicate that, in the absence of legislation of the kind we have advocated, in the event that the amendment is lost—and I am sure it will be lost—we shall support second reading of this bill, but with the understanding that when we come to section 4 we are certainly going to propose an amendment, if one is not already moved.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I crave a bit of your time and the time of the house to speak on this bill because I farmed for so long in western Canada. Let me deal first with the gentlemanly interruption of the leader of the Social Credit group (Mr. Low) a moment ago by the Minister of Agriculture (Mr. Gardiner). As I understood his interruption, it was to say that if this amendment were to carry it would destroy the bill. I think I am correct so far. Yet the minister, with all those behind him, supported a ruling by Mr. Speaker ruling out amendments which, in my judgment, meant the same as this one, because they did not contain a principle different from that contained in the bill. So that now the minister has boxed the compass completely, and we are back where we were some time ago.

Mr. GARDINER: I am doing this only because I shall not have an opportunity of speaking before the amendment is put.

Mr. SMITH (Calgary West): Do you want to ask me a question?

Mr. GARDINER: No. That argument was not used with regard to the amendment moved by the hon. member for Yale (Mr. Stirling).

Mr. ROSS (Souris): Yes, it was.

Mr. GARDINER: Not the argument that it introduced something new. The argument there was that it did not introduce anything new. We put forth no argument on the others at all, except that they would kill the bill.

Mr. SMITH (Calgary West): Then may I say we have completed another arc of the circle and the minister is on his way around again. He voted to support a ruling by Mr. Speaker throwing out two amendments, if my memory serves me aright, because they were not amendments to the principle. Now the minister says the present amendment is so entirely different in principle that it would destroy the bill itself. With that I leave the minister. He is not a quarter horse; he usually runs the full mile, and I think finally he will get around the track again and we shall be back where we started some time ago.

An hon. MEMBER: A wisecrack.

Mr. CRUICKSHANK: And win the race.

Mr. SMITH (Calgary West): I did not hear that remark. However I think I did get something about a wisecrack; I heard that much of it. I am very happy to have that comment, knowing where it came from. I am glad the hon. member even appreciates a wisecrack, because there is little else he does appreciate. We will just let it go at that.

I come to discuss my position—and I use the word "my" advisedly. We have had two bills in this parliament recently. Suggestions have been made from this side of the house and, in fact, from all quarters of this side of the house, for certain amendments, and that those amendments should be made in the interests of the farmers of Canada. We have met with a flat refusal. The answer on both occasions has been this: "If we do what you suggest, we destroy the bill; and you men over there are in fact sabotaging the interests of the farmers of Canada." That, stripping the thing down to its—well, whatever elementary things there are in a bill—is the difference between this whole side of the house, and that side, over there.

Mr. CRUICKSHANK: Oh, no.

Mr. SMITH (Calgary West): "Oh, no", do you say? Well, I am glad to know where that came from, because he voted once with us; and it was the same principle, right through the picture.

Mr. CRUICKSHANK: Twice.

Mr. SMITH (Calgary West): Twice. Apparently he has changed his mind in the course of the last forty-eight hours or so.

Mr. CRUICKSHANK: Nonsense; you don't know what I am doing.

Mr. ROWE: He changes every forty-eight hours.

Mr. CRUICKSHANK: And I shall still be changing, so far as you are concerned.

Mr. SMITH (Calgary West): I pay the hon. member for Fraser Valley (Mr. Cruickshank) this great compliment: Only fools are unable to change their minds. Wise men do. He is one of the wisest men I know, and particularly when he is picking those little berries, and magnifying them into thousands of tons, as he does so readily in this House of Commons.

However, if he and you, sir, will permit me to come back—

Mr. MACKENZIE: Oh, oh.

[Mr. A. L. Smith.]

Mr. SMITH (Calgary West): I hear a bit of raucous laughter from somewhere. Yes, I believe I have located it. The hon. member who is leading the house at the present time is a little bit worried because he cannot go out and pick berries for the hon. member for Fraser Valley. He is the greatest berry-picker I have ever known in my life. And he always gets them ripe; I have noticed that. He waits until that time comes.

I once more come back to what I was trying to say, and it is this, that in so far as we—and I speak for this whole side of the house—I believe—

Mr. MacINNIS: Be careful.

Mr. SMITH (Calgary West): I will be very careful, particularly when I know where that interruption came from, because he is one who is happy only when the whole House of Commons disagrees with him. In that way he gets his name into the newspapers, because he is unique, you see.

I now come back for the fourth try, if I may be permitted. They say it is three times and out, but I will try it again. I come back to this, and in all seriousness, sir, that we have been met in these last two bills with the cry of "sabotage" and "wolf." In the present bill the minister's whole statement is this—and it is technical—that if you adopt these amendments, of which all of us over here were in favour, you destroy the whole bill. His answer was, "If you want to do that, have a new bill." May I say with the greatest respect that I disagreed with Your Honour's ruling of the other day, because I think the minister has this much of right in his favour, namely that it is a different principle. What he said was this, "If you want to do that, let us have a new bill." Well, if the minister meant what he said, why does he not now tell us, "You will have a new bill." We cannot introduce it, because it involves the expenditure of public money.

Mr. GARDINER: Shall I answer that now?

Mr. SMITH (Calgary West): Yes.

Mr. GARDINER: I said in my speech the other night that when that position was put up to us by the representatives of the farmers I stated to them quite definitely that it was not likely that we would bring down a bill this session, and that anything we did do this session would be done in this bill. I said that we were not likely to be bringing down a bill this session to deal with long-time marketing.

Mr. ROWE: That is not much of an answer.

Mr. SMITH (Calgary West): I heard the minister accurately on both occasions. What I am saying to the minister through you, sir, is this, that it is either government policy to support these producer boards, or it is not. If the minister will now say that he will bring in a bill to support the producer boards, then you can stop these arguments very quickly.

Mr. GARDINER: It is the policy of the government not to bring down such a bill at this session.

Mr. ROWE: Twelve months hoist.

Mr. GARDINER: The only way in which the agreements that have been made with Great Britain can be fulfilled is to have this bill on the statute books. The other bill cannot be put on the statute books at this time to deal with that situation. There is so much in common between the two that there is nothing to be gained by bringing down two bills at this session.

Mr. ROWE: Are you going to bring it down next session?

Mr. SMITH (Calgary West): I wonder if I can take care of this myself. Between these two bills there is a very great difference in principle, and I have heard the minister accurately on three occasions. Through you, sir—and I hope that Your Honour is checking on the time which has been occupied by the minister—may I ask the minister: Are you representing this government as being in favour of these producer boards handling their marketing, or are you not? I will allow you to interrupt me to answer that.

Mr. GARDINER: I have stated the government's position clearly. We do not believe that this is the time to bring down legislation to deal with that question.

Mr. SMITH (Calgary West): I will accept that, and interpret it in the only way I can, that it is another stall such as we have met with on many occasions.

I mentioned the word "principle". While this bill is only for a year—and I intend to have a word or two to say about that—it means—and I hate superlatives—that the government through the council, through the minister—and I am quite sure they will be guided by him, because I compliment him upon knowing more about his department than any other minister in the government, that is since the shift took place, of course. I compliment him on that—but this bill means this, that every producer of agricultural products in the whole Dominion of Canada is entirely in the right fist of the minister. Every activity, everything they have to do, is under his complete control. Granted that he is the greatest man in the world—and certainly I rank him rather highly—but, granted that he is all that, no individual in any history I have ever read has been entitled to that much power.

Someone may logically say to me, "Just what do you mean by that? The other day you voted"—and I did—"for the wheat bill". May I assure you, sir, that in this debate on second reading I shall not depart any further from the rules than those who have preceeded me; and I refer particularly to the Minister of Agriculture.

Mr. GARDINER: I will not object.

Mr. SMITH (Calgary West): You know, the Minister of Agriculture and I spent a long time in the same town. It has produced four great men—including myself.

Mr. MACKENZIE: Who are the other two?

Mr. SMITH (Calgary West): One of them leads the C.C.F. party now. Another one is the Hon. Charles Dunning, whom the Minister of Agriculture supported then. I saw the light first, as the minister reminded the house the other night, away back in 1917. The Hon. Charles Dunning saw it much later in life. I think the other two are beyond the pale. But I give you my word that, in my judgment, the leader of the C.C.F. (Mr. Coldwell) is seeing a great deal more light than the Minister of Agriculture. He is just set in that way.

Here is his attitude and that of the Minister of Trade and Commerce (Mr. MacKinnon) with respect to the wheat bill. I remember the town from which we all came. It consisted of 2,753 people. The births just equalled the deaths and we stayed there for years. Perhaps we had the same census taker who did not bother going around year after year. That was the simple fact about Regina. In those days we did not have much money and there was a game called football, about which the hon. member for Fort William (Mr. McIvor) knows something. It is the cheapest game in the world because, if you can put up $2.50 for a football the whole town can play. There is no expensive equipment needed or anything like that. The richest boy in town owned the football and, when he did not like the way the game was going, he took the ball home. That is exactly the attitude of the minister today—"take my bill, take it 100 per cent, or we won't play." That is the attitude of the Minister of Trade and Commerce as well.

Mr. GARDINER: Both the hon. member and I played at that time and we did not play that way.

Mr. SMITH (Calgary West): No, we did not, but I continued being a sportsman and I am afraid the minister has fallen a little bit behind.

Having finished off the Minister of Agriculture, I want to turn and say this is serious. We have embarked a tremendously long way on the marketing of farm products. I know something about the rule which says you cannot discuss a bill during the present session, so I am going to put a supposititious case—that is twice I have used that word and I love it—to this House of Commons, and particularly to the Minister of Trade and Commerce. He has sold 600,000,000 bushels of wheat short, more than any other exchange in the world ever sold short. What he has done is to take $36,000,000 of the farmers' money in the 1945-46 crop year as a margin. That is exactly what has been done under the wheat bill. People here sometimes get annoyed about persons gambling with the farmers' wheat, but here is the greatest gamble ever undertaken by anybody. The minister has $36,000,000 of a margin in the kitty which he refuses to give back to the farmers at the present time.

I come now to this bill and I want some one to correct me if I am wrong in my interpretation of it. I make the statement that it gives the minister, the cabinet, the government, authority over everything that is raised on a farm from beef to eggs, to barley, to oats, to alfalfa, everything in the world. They have that authority. You might say to me, and quite properly, "You voted for the wheat agreement." I did. I voted for it and I made it plain that I did so on the basis that the government had committed us to that agreement. I certainly would vote in favour of the government—

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (Calgary West): —honouring the signature of Canada. I do not know whether there are some animals in the house but I heard a peculiar sound just a moment ago. I do now and I always will support that position. What have we in this particular bill? We have beef, bacon, cheese, eggs and there may be something else. I stand in exactly the same position, but I refuse to let this government or any minister or anyone else tell me that this is for—somebody said it was for nine months, which is the ordinary period of gestation for an idea and perhaps for other things—I refuse to assent to anybody having that power to sign again on the dotted line within that time and then say to us, "There is our signature; you have to honour it." The thing stops somewhere, and in so far as I am concerned, it stops right here.

Someone may logically say, "Where are you going to get the cheese and beef and so on?" My answer is, "Go into the market and buy it, and let the people of Canada carry this load rather than the agricultural producer." There is no justice in anything but that. Certainly we want to help Britain, but let us not do it as we are doing it today by having the farmers of Canada carry the entire expense.

Mr. GARDINER: The bill provides for exactly what you have asked for.

Mr. SMITH (Calgary West): Thank you very much for that interpretation. What you have in your bill is that the selling price must have an appropriate relation to the buying price. I take it that that is what you are referring to.

Mr. GARDINER: No; the bill says that the government has the authority to buy the product at a price and, if that price is higher than anybody else's price, we buy it at that price.

Mr. SMITH (Calgary West): I am certainly delighted to hear that, but I think the minister's remarks along that line are most interesting. I have the wheat bill in my hand and it provides for the purchase of wheat only.

Mr. GARDINER: This is not the wheat bill.

Mr. SMITH (Calgary West): It provides for the purchase of wheat only, except as directed by the governor general in council. Then today the minister came into the house and made this statement:

> Effective tomorrow, March 18, the system of advance equalization payments will be discontinued and the Canadian wheat board will stand ready to buy all oats and barley offered to it at new support prices. In the case of barley these prices will be based on ninety cents for No. 1 feed barley, in place of the former support price of fifty-six cents . . .

That is the wheat board which under the bill could buy nothing but wheat except as directed by order in council. When the minister tells me that all he is seeking under this bill is to make the Dominion of Canada responsible I cannot avoid thinking that he more than anyone else supported the wheat bill which was to deal only with wheat, and then before the ink is dry he brings in an order in council directing the wheat board to buy barley and to buy oats. That is my point.

Mr. GARDINER: That is in the bill; there is a provision in the bill for buying oats and barley.

Mr. SMITH (Calgary West): I know I am getting a little old, but perhaps the minister is doing that too. Subsection 2 of section 7 reads—

Mr. SPEAKER: I am sorry to interrupt the hon. member, but I would direct his attention to the fact that on the second reading of a bill hon. members can discuss only the principle of the bill.

Mr. SMITH (Calgary West): May I say, with great deference to your position and with personal respect to you, that I accept your ruling and I will not talk any more about the wheat bill. I shall turn now to something else which I think you will consider as being quite relevant. I am sorry the Minister of Finance (Mr. Abbott) is not in the house at the moment, but I notice the former Minister of Finance is here.

An hon. MEMBER: He is here.

Mr. SMITH (Calgary West): I am very happy to know that, but I would be ruled out of order if I saw him where he is.

An hon. MEMBER: He came in.

Mr. SMITH (Calgary West): I have been watching him carefully and I thought I would smoke him out. I notice he came in just a moment ago. Here is something I am anxious to have someone tell me. We are selling wheat under the market price, as well as beef, cheese, dairy products, and I could go down through the list. We are buying things in the world market. We have $600 or $700 million against us on balance with the United States during the last year. What I am anxious to know is this: How can we continue to sell everything we have, even gold, under the world price, and buy everything we buy at the world price without going bankrupt? I know there may be an answer. I am quite sure it will be technical, but I hope it is in language that even I, and I speak very humbly, can understand. So I say, with respect to this legislation, it fails because the government has failed to permit those of us who, for the moment, are over here to be helpful in our suggestions. The government has taken a take-it-or-leave-it attitude and, as long as that attitude is continued, I will support the amendment. In the event that the amendment is defeated I will vote against the bill. We have been trying to be helpful. Someone said that the other day with respect to all parties, and I agree with him heartily; I think it can fairly be said of every member of this House of Commons. We are here trying to do what we can to help; we differ only in method. We have made suggestions which we thought were worthwhile, but this government has been here so long—perhaps that is our fault—that it has developed a power complex which it has been unable to shake off.

In closing, may I compliment the Minister of Trade and Commerce—I knew he would play a twopenny ante game; he is a good bridge player and can play as high as he likes—on making, with other people's money, the greatest gamble the world ever saw.

Mr. ROBERT McCUBBIN (Middlesex West): Mr. Speaker, I have sat here and listened to addresses from different parts of the house on this Bill No. 25. I have also sat here and listened for some weeks to hon. members discussing a commodity called wheat. We in eastern Canada are getting pretty well sick of the discussions on wheat.

Mr. BRYCE: You have been wanting it for feed in eastern Canada.

Mr. McCUBBIN: As I said, I have listened to discussions on wheat and we in eastern Canada are getting sick and tired of the discussions on wheat; for, when it all boils down, after weeks of discussion, we found that only seven members of this house were opposed to the wheat legislation.

I as a farmer and, representing farmers, am here tonight from western Ontario in this great old province of ours, to support this Bill No. 25. I feel that the minister is too modest in bringing down this legislation and making it operative for only one year. I think it should extend for two or three years instead of one.

I may be asked why I am supporting this bill. I am supporting it because the farmers of Canada have been asking for this type of legislation for years. They have not forgotten what happened after the last war; they have not forgotten the dark thirties, and they are willing to put into the hands of this government the sale and export of their farm products in a sane and sensible manner, which I feel is the way in which it will be carried out. Before the war started, the government encouraged us in eastern Canada to use the cheap coarse grains in the production of cheese and bacon to be marketed in the best market there is in the world for such products, Great Britain. We established a good market for those products in that country, and when the war started those markets were enlarged and encouraged. Everything has been done to make the cheap grains available, by freight assistance, not only to Ontario but to British Columbia. May I in passing, congratulate the government on bringing down the order they brought down today raising the price of

coarse grains to the western farmer and assuring that these grains will be available to us in eastern Canada for feed. Since this announcement was made this afternoon, I have received telephone calls from different parts of Ontario asking me if the announcement they heard over the radio tonight was correct. I say sincerely that the farmers of Ontario will be pleased with this announcement.

I wish to commend the government for the agreement they have made with respect to wheat with the United Kingdom for five years. It will give stability to the western farmer. I have already mentioned the cheese and bacon agreements. There is another agreement I want to mention to the house and the country, and that is the beef agreement. The government negotiated an agreement with the United Kingdom with respect to beef three or four years ago in order that Britain might receive our beef products and at the same time take great quantities of surplus beef off our markets. Two or three weeks ago the hon. member for Calgary West (Mr. Smith) and the hon. member for Calgary East (Mr. Harkness) in discussing this bill suggested shipping our beef on the hoof across the line. The United States is our natural market for beef. I have always believed that and will continue to believe it. I also know that, prior to the embargo being placed on beef cattle going from Canada to the United States, under the cent and a half tariff agreement negotiated with the United States in 1936 and renegotiated in 1939, the United States took only 193,000 head of our cattle on a quarterly basis. Great Britain is willing to take unlimited quantities of beef from us. During 1945 Great Britain took over 500,000 head of cattle off the Canadian market in the shape of frozen beef and beef products. Are we willing to do away with that contract in preference for another? Or are we willing to negotiate a further contract with Great Britain for our beef products?

Mr. SMITH (Calgary West): Is the hon. member suggesting that I or the hon. member for Calgary East advocated any more than token shipments to the United States at the present time? That is all we suggested.

Mr. McCUBBIN: I will come to that in a moment. I listened to both hon. gentlemen and heard what they suggested with respect to token shipments of our cattle to the United States. I am opposed to that. I feel that it would not be sensible for us to send token shipments to the United States at this time. Great Britain is asking for our beef and we should send her our beef. She is willing to negotiate further contracts with us for our beef. I believe that beef cattlemen both in the district from which the two hon. members for Calgary come, and in our own district, are wondering what the future of the beef cattle industry will be. I have been asked many times, how long is Great Britain to continue to take our beef? Are we finally to be left out in the cold? I was able to answer them that our contract will run only up to 1948, but I understand that the government will negotiate a contract for 1949 also. When I heard the Minister of Agriculture (Mr. Gardiner) state on Friday evening last that Great Britain was willing to take our beef products for a period of five years I certainly was surprised.

Mr. SMITH (Calgary West): With great respect, he did not say that. What he said was that our best market for the next five years was Great Britain.

Mr. GARDINER: I said definitely that when the minister was here it was stated there would be a demand for all the beef we could send to Great Britain for the next five years.

Mr. McCUBBIN: I am glad the hon. member interrupted me. I had been under the impression that the Minister of Agriculture had stated it, and I am glad he supports me in that view.

Mr. SMITH (Calgary West): He would be bound to do so. I still do not think he said that.

Mr. McCUBBIN: I heard him say it.

Mr. GARDINER: If I did not say it I am making it more definite now.

Mr. ROWE: It is still only a guess.

Mr. McCUBBIN: I do not think it is a guess. I will say this on behalf of the beef cattlemen of my district. If they ask this government, through the powers conferred by this bill, to negotiate a contract with Great Britain for this beef, and if the house is willing to allow the government to negotiate such contracts, should the matter be left in the hands of the packers, or should it be left in the hands of the government? I would put that question to the cattlemen and I know what the answer would be.

An hon. MEMBER: The packers have had a hand in it.

Mr. McCUBBIN: They have not.

Mr. CRUICKSHANK: That was under the Conservative government.

Mr. McCUBBIN: I know what the beef cattlemen are thinking, because I move

among them, and I know they are willing to trust the government to make contracts for them for all the surplus beef they have for the next five years.

Mr. ROWE: Not all the beef cattlemen. You have been talking only to a few Liberals.

Mr. McCUBBIN: I have been talking to as many people as my hon. friend. I have not forgotten that eleven years ago today my hon. friend made a speech in this house condemning a contract for beef to a country not so far away.

Mr. ROWE: That was because it was on a quota. Tell the rest of the story.

Mr. McCUBBIN: I wish to refer now to another commodity which I think should be left to the hands of the government to sell and export. I refer to the bean industry. In the part of Ontario from which I come the best cash crop we have is beans, the white pea bean. This government has been negotiating contracts with Great Britain for a few years now for the sale of these beans. Last year it negotiated a contract for 560,000 bushels; and an agreement was made with the farmers through the medium of a bean board, a producer board set up among the farmers in the counties of western Ontario, whereby a certain price would be paid for the beans. The dealers agreed to it. For cleaning, processing and making shipment they got a certain price. The farmers were satisfied and we thought the dealers also were satisfied. The farmers sold beans last fall, but the dealers thought the arrangement was not good enough, that they could make more money out of this farm commodity than they were making.

What has happened? We were asked to ship to Great Britain 560,000 bushels. We had 1,200,000 bushels in that part of Ontario, not a big crop but a good crop. We have sent only 150,000 bushels to Great Britain. Now Britain is asking again for another contract in connection with this commodity, but the dealers are not willing to sell at a price Great Britain can pay. The farmers—and I do not blame them—can see a good price from the 1947 crop looming up. As I say, we do not blame them, but at the same time they are reasonable men and they know that there is no use in getting a big price this fall and a low price next fall. I feel that the bean men of our district should endeavour to help themselves, and I refer to the producers. They should establish a central marketing agency to which these beans could be brought for shipment to Great Britain at a price that Great Britain is willing to negotiate upon. I would ask the government if it would not be possible for them to negotiate a contract with Great Britain for a five-year period for white beans, just as has been done for wheat, the farmers to bind themselves under a central marketing agency to fill the contract. A down payment could be made and if beans sold, after the contract was filled, at a higher price in the domestic market, a participation certificate would be paid in respect of the balance.

I think I speak for the bean industry of western Ontario when I say that we have a product on which we think we should receive a good return for the labour that we have devoted to it over a period of years. We have this market in Great Britain if only we will help ourselves, and I think the government would cooperate with us in the sale of the commodity and not leave it to the dealers.

I do not wish to discuss this bill any further. As I said, I am wholeheartedly behind it because I feel it is a step in the right direction. The government has been asked by the house to establish floor-price legislation, but how on earth are you going to have floor-price legislation unless you have government support for it? The farmers, from one end of the country to the other, are asking, "When will floor prices come into effect?" I say to the house, as I have said to my own people, that the best floor-price legislation you can have is good markets for your products. Why should the state not handle this? After all, they are only the representatives of the country. We are a democratic country and, if we are not satisfied with the government that is in power, we have our redress at the next election because we can turn them out.

We heard on Friday and we have heard again today about the national federal marketing legislation which the Canadian Federation of Agriculture are proposing. I am not going to say that I will oppose it when it is brought in, but I do say that we shall look into it thoroughly, because the farmers will expect us to do so. They will expect us to inquire whether it is a good thing for them or not.

In conclusion, I challenge the opposition to vote against this bill, which, I submit, is in the interests of the farmers. I am wholeheartedly behind it.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, it is well known that I am not a farmer by vocation, like my hon. friend the hon. member for Calgary West (Mr. Smith), but I was born and brought up on a farm and today I represent perhaps the most progressive farm district in Ontario.

There are in this bill two things that appeal to me. The first is that it will help the government to fulfil its obligation to Britain, and

that is part of our duty. The second is that it will secure to the farmers a market at a decent price.

There are in Canada those who say that this bill and the wheat bill are tinged with socialism. All I have to say is that if socialism will secure to the farmer a market that he is sure of, as well as a decent price, and that he can spend his money as he likes, then I am a socialist of that type.

I was one of those who went out of Fort William and drove about thirty-five miles south; I could buy several crates of eggs at store prices, fifteen cents a dozen, and carry them to Fort William, and I had no trouble getting rid of them. I do not want to go back to those days. The farmer has just as much right as the stonemason or the bricklayer or the carpenter or the machinist to get a decent price for his produce, and his wife should get a decent wage as well. To me, therefore, this bill is certainly in the interests of stabilizing the farmers, those who are able to produce. I have had word from Fort William that this is good legislation and, if the farmers of Fort William think it is good legislation, I know they have splendid judgment.

Mr. J. A. ROSS (Souris): Mr. Speaker, I was very much interested in the remarks of my good friend, the hon. member for Middlesex West (Mr. McCubbin); but knowing his part in the production of wheat I was happy to think that the western farmers did not need to depend entirely upon him for their future livelihood and policies in the marketing of wheat. He was giving some praise to his party, to the Minister of Agriculture (Mr. Gardiner) and others, for what he termed a splendid bill.

An hon. MEMBER: You voted for it.

Mr. ROSS (Souris): I am just coming to that point. He mentioned those seven members who, after two or three days' debate, had been so disgusting as to vote against the bill. I was not one of those seven members. I fought several parts of that bill with all the ability that I possess; but when it came to the final motion, I voted for it, because I did not want to lose the wheat board. There are, however, still several angles of that legislation to which I am utterly opposed. But by and large I have always been in favour of the Canadian wheat board.

Mr. CRUICKSHANK: Are we to have another week of wheat?

Mr. ROSS (Souris): That is why I voted for the bill in the final motion.

[Mr. McIvor.]

What I want to discuss now is the amendment which is before the house. That has always been a point with me in the seven years I have been here with respect to any legislation. I have on many occasions refrained from discussing the principle of a bill because I knew it was going to go to a competent committee where all the information available could be obtained. As I say, I have done that on several measures. Over the week-end I was reading some of the past debates, one of which was on the wheat bill that was introduced by Mr. Bennett on June 10, 1935.

Some hon. MEMBERS: Oh, oh.

Mr. ROSS (Souris): I think it is quite in order for me to refer to that, and hon. members may say, "Oh, oh" if they like. On June 10, 1935, when Mr. Bennett introduced legislation with regard to the Canadian wheat board, the then leader of the official opposition, the present Prime Minister, Mr. Mackenzie King, said that one of the greatest problems facing Canada was that of marketing her wheat. He argued with Mr. Bennett that the bill should go to the committee on agriculture and colonization; finally Mr. Bennett agreed with him and that is where it went.

Mr. ILSLEY: No, it did not.

Mr. ROSS (Souris): What a contrast between what happened then and what happened regarding our request with respect to these amendments to the Wheat Board Act which was recently passed, when the government of the day and the C.C.F. refused to let the bill go to the committee.

Mr. MacKINNON: No. You did not ask for it.

Mr. SPEAKER: Order. I would point out to the hon. member that he should not refer to a former debate.

Mr. ROSS (Souris): That is quite correct, Mr. Speaker. I was just through with that point.

We are now discussing an amendment to Bill No. 25, the Agricultural Products Act, in which provision is made for the purchase, sale and export of commodities through provincial marketing boards. I am one of those people who, despite the remarks of the opposition on the government side, favour producer boards having some say in the marketing of their products.

Mr. CRUICKSHANK: What do you mean by "the opposition"?

Mr. ROSS (Souris): Exactly what I said, and I think the hon. member fully understands.

Mr. CRUICKSHANK: We are the government.

Mr. ROSS (Souris): Yes, you are.

Mr. GARDINER: We agree with that. The Liberal governments passed legislation in the provinces.

Mr. ROSS (Souris): An amendment was moved by the hon. member for Yale (Mr. Stirling) the other day, and the Deputy Speaker ruled against that amendment because it did not change the principle of the bill. The Minister of Agriculture rose and supported the ruling of the Deputy Speaker at that time. Later in the same afternoon another amendment was moved and was ruled out of order by the Speaker on the very same ground, that it did not alter the principle of the bill. Again the Minister of Agriculture rose and supported the Speaker's ruling.

Mr. GARDINER: I always support the Speaker.

Mr. ROSS (Souris): Right or wrong, I have come to find that out.

Mr. GARDINER: He is usually right.

Mr. ROSS (Souris): Therefore we now have before the house this amendment which has not been ruled out of order. I suppose the Speaker decided that, after all, there was a limit to this, and that a line must be drawn somewhere.

Some hon. MEMBERS: Oh, oh.

Mr. ROSS (Souris): Probably I should say that I am speaking with all deference to Your Honour; I do not mean to be uncomplimentary.

Mr. GARDINER: This amendment is entirely different.

Mr. MACKENZIE: It is a different principle altogether.

Mr. ROSS (Souris): I will admit that the wording of the present amendment is in accordance with the very theory I have held ever since I have been here, to refer this measure back to a committee for further consideration. However, the Minister of Agriculture now argues that if that amendment stands, and it is apparently standing now, it will completely nullify the bill.

Mr. GARDINER: That is not what it does. May I be permitted to interrupt?

Mr. ROSS (Souris): Yes.

Mr. GARDINER: The motion does not refer it to a committee for further consideration. It refers it to a committee to have a special thing done with it. It is to make another bill out of it.

Mr. ROSS (Souris): The amendment reads:

That all the words after the word "that" be struck out and the following substituted therefor:

"this bill be not now read a second time but that the subject matter thereof be referred to the committee on agriculture and colonization with instructions that they have power to recommend provision for

(1) the regulation of interprovincial trading;

(2) more democratic control by the producers of the proposed board or boards;

(3) a long-range marketing programme instead of a transitional programme.

Mr. GARDINER: That is a new bill.

Mr. ROSS (Souris): That is the amendment which is proposed.

Mr. COLDWELL: Power to recommend.

Mr. ROSS (Souris): Power to recommend is all that there is there.

Mr. GARDINER: If the committee recommends a new bill, what is the house to do about it?

Mr. ROSS (Souris): Like the hon. member for Calgary West (Mr. Smith) I am one of those who are going to accept the challenge of the hon. member for Middlesex West (Mr. McCubbin) if we are not allowed to amend this bill in any way whatsoever. I am going to vote against this bill as it stands, to continue the controls we now have, because I am opposed to having all the produce of the agricultural producers handled in that fashion by order in council. I am entirely opposed to that in principle. We have done our utmost to have the bill amended in some way in order to give more say to the producer boards in this country. I know the producers themselves desire that type of legislation.

I was interested the other day in the statement made by Mr. Graham Towers, governor of the Bank of Canada, in his report to the House of Commons on February 12, when he pointed out that even Canada under these controls could not long carry on with the great disparity which now exists between prices in the United States and those in Canada. There is much food for thought in that statement. That is another reason why I am opposed to giving all this authority to the minister to handle, as he sees fit, all the agricultural products of this land for this period. I am quite convinced that, if he is given

that authority—despite the fact that he is asking for it now to carry out the present agreements—before we meet for another session twelve months hence he will come back with a new agreement signed with these countries, upon which this parliament has not had any discussion. For those reasons I am opposed to this bill in principle if we are not allowed to amend it at all. I am going to support the amendment. If that is not allowed to carry, I will certainly accept the challenge and vote against the principle of this bill as it is drawn, and against the type of legislation being brought down this long after the termination of the war.

Mr. GARDINER: May I ask this question? How can we enter into new agreements with other countries when we have only nine months, as was stated by the hon. member for Swift Current (Mr. Bentley), allotted to us for these powers under this bill? How can we then enter into any new agreements?

Mr. ROSS (Souris): Why not eliminate it in the bill? Why take that authority in the bill?

Mr. GARDINER: The authority in the bill is exactly the same authority as was in the orders in council. What we are asking for is an extension of the orders in council until December 31; and if the house has not been in session prior to that, up to March 31. It is for just one year, which is the outside limit.

Mr. ROSS (Souris): I shall probably here transgress a little on the proper procedure, but we discussed this very point in regard to what was announced today. Certain people wanted provision made in the act which we passed the other day, for the handling of coarse grain, and the minister argued against it.

Mr. GARDINER: I argued against compulsion.

Mr. ROSS (Souris): Today the minister made the announcement that oats and barley, from tomorrow on would have to be handled during this year by the Canadian wheat board.

Some hon. MEMBERS: No, no.

Mr. ROSS (Souris): That is as I understood it.

Mr. GARDINER: No.

Mr. ROSS (Souris): What did the announcement mean, then? I think he will not deny that it can be done only by a further order in council.

Mr. GARDINER: Anyone can handle it on the margin between the floor price and the ceiling price.

[Mr. J. A. Ross.]

Mr. ROSS (Souris): Would the minister say he is not negotiating any more agreements at this time, or does not intend to negotiate any new agreements from this day on without consulting parliament?

Mr. GARDINER: If I may be permitted to reply, I have stated to the house every time this bill has been under consideration, as a result of suggestions made to me the first time it was brought in, that we were prepared to put into section 5 an amendment under which it would be possible to make an agreement in connection with one other product, that is, apples. Outside of that there is no intention of entering into new agreements.

Mr. ROSS (Souris): What about cheese? No negotiations are going on now about these other products?

Mr. GARDINER: There is negotiation all the time. There has been constant negotiation.

Mr. CASSELMAN: Oh, sure.

Mr. GARDINER: Wait until I answer the question. There have been negotiations going on ever since this authority was given, negotiations with regard to price. Naturally the farmers are not satisfied as to prices, as their costs of production go up, and we are approached by farm organizations to enter into new negotiations to increase prices. That negotiation is going on with regard to eggs, cheese, milk, beef products and pork products practically all the time, and it will continue as long as we have these agreements to deliver certain quantities of produce.

Mr. ROWE: Then something might happen in the next nine months.

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, on Friday last I had a speech on this bill ready for delivery, but I missed my turn and, since then, everybody else has said what I was going to say. I do not intend to impose that speech upon the house tonight, but I will sum up the remarks I intended to make.

I thought the minister, in rising to speak on this bill, would have been able to give the house some assurance that he would bring in something in the nature of a dominion natural products marketing act. I am disappointed about that. When he did not take that action I hoped he would be able to improve this legislation to cover some of the things that would have been of advantage to organized agriculture now. In summing up the situation, the minister had this to say, as reported at page 1394 of *Hansard*:

> Therefore I object to any attempt being made by the house now to put into this act terms which never were intended to be in legislation of this kind; terms which, if they are to be

enacted at all, ought to be enacted under separate legislation brought into the house, discussed on its merits. and if this is the proper time to pass it, if it must be passed, then it should be passed. But if it is not the proper time to consider it, in view of the fact that organizations are not yet prepared to do the job that is required to be done, then it could be brought in at some other time by whatever government is then in power.

Then he went on to make some comments about the meeting with the Canadian Federation of Agriculture, saying that they had expected that legislation and that he had assured them it could not be introduced this session. I want to tell the minister I am glad further consideration has been given to the apple growers, as he has announced. By this concession the minister admits that the bill is not all that is desired, or all that it should be. He has turned down the request of the Canadian Federation of Agriculture for a dominion natural products marketing act, but I want to remind him that the farm organizations are growing stronger. He should pay heed to the fact that a nation which plans for war knows that, if it did not plan, it would lose the war; but when you suggest planning in peace time in order that maximum production at guaranteed prices may be maintained, this is at once condemned as compulsion. The new idea in marketing, which proved itself in war time, will surely live, though there may be those who will try to strangle it. The farmers have had a good taste of the security and stability that come from guaranteed prices for guaranteed quantities, and the taste has been good. In the last few days a great deal has been said about compulsion. I am going to leave wheat and coarse grains alone for the moment and refer to a pamphlet entitled, "What Ontario fruit and vegetable growers want done in the legislative field." The secretary of the two associations had this to say:

> The history of all progress is one of persistent effort especially when dealing with governments. Eternal prodding is the secret of success. Progress is slow.
>
> Signs are not wanting that governments are much concerned these days with the welfare of agriculture. This indicates response to the urgings for it is realized that agriculture cannot, once again, become a mere form of subsistence—that it must be nourished and sustained. Politicians (and, after all, the responsibility is theirs) who fail to take the forward steps will have no reason to be disturbed if others take their place. Systems are on trial.
>
> The policy makers must show courage and render leadership—political considerations should not prevail nor should powerful groups be permitted to dictate policy because they fear loss of vested privileges.
>
> Most of the opposition to many of agriculture's proposals has come from groups and individuals who, fearful of the unknown, have let prejudice and ignorance sway their judgment.

Farm leaders have developed a sense of responsibility. They are not out to wreck the system nor do they plan harm to others. They are seized with an honest desire to improve the lot of their fellow men but not on a basis of robbing Peter to pay Paul.

Live and let live is the keynote. If legislative action is necessary to establish authority and power to make the principle apply, legislation we must have. Farm organizations dislike running to government for cash aid—they much prefer the authority to do things for themselves.

There must be a certain amount of compulsion if we are to make this system work and have orderly marketing. They do not say, "You cannot grow fruit or vegetables"; they do not try to deprive any grower of his living. They only want the cooperation of the growers to abide by the decision of the majority so that all may benefit by the united effort. Other organizations go much farther than this, and it is quite all right. The trade unionist working in the union shop expects and insists that his fellow be a trade unionist as well. Even the bar association, or the lawyers' union, makes it compulsory for every lawyer to belong. They will even have a man convicted for trying to do the work of a lawyer without having been admitted to the bar. In support of that statement, I would refer to a clipping from the Winnipeg *Free Press* of March 6:

> Charged with ten breaches of the law society act,—pleaded guilty before Magistrate D. G. Potter in provincial police court Wednesday. He was given a two-year suspended sentence, bound over in the sum of $500 and ordered to pay court costs.
>
> Acting for the law society of Manitoba. A. E. Johnston told the court that this gentleman, notary public and insurance agent, had been drawing up legal documents, closing real estate transactions and acting as solicitor without the proper authority. He said this gentleman had not been called to the bar, and his duties as notary public did not empower him to carry out these acts.

Mr. MACDONNELL (Muskoka-Ontario): What about doctors?

Mr. BRYCE: They are in the same category. But you do not want me to say anything about them; I might be sick some day. But I do not hope to need a lawyer.

The farm organizations have never gone so far as to stop anyone from being a farmer. Any Tom, Dick or Harry can come along, get a piece of land and produce the necessities of life. The farm organizations have no objection. All they want them to do is to be good fellows and support the organization.

In closing, I wish again to remind the minister that the farmer is demanding legislation that will enable him to run his own business in order that he can get a fair share

of the consumer's dollar by orderly marketing in both home and export markets; and I would suggest that the minister promise to bring in a bill similar to the one requested by the Canadian Federation of Agriculture at their recent meeting with the cabinet, to bridge the gap between the provinces and the dominion.

Might I say to the minister that I was the seconder of the amendment. If the minister will only tell me that early in the next session he will bring in a bill similar to that wanted by the C.F.A., then I will withdraw the amendment, or at least I will consult the mover to that end. You have it in your hands.

Mr. GARDINER: I never have done any bribing since I have been in politics.

Mr. BRYCE: And you can call it black-leg or bootleg, or anything you like. I was sent here by the farmers to get these things. All I am asking you is to give us your word that you will take that up early in the next session. We asked for it in 1939 and you said that the time was not right. We agreed with you. You have been minister all that time, and we have not come back until a time of peace. We are asking you now, in all sincerity, to give us these things. Do not fail us now. I will be prepared to withdraw the amendment. I am going to support your bill, because it is a step in the right direction. I am now awaiting your answer.

As a headline in one of the evening papers I saw a boy delivering on Friday night were the words "British M.P. attacks Canadian wheat prices." On reading the paper, I found that a gentleman by the name of Smithers had made that statement. I am going to quote from the Ottawa *Journal* of March 14, 1947. Might I say also that he is a Conservative? Wait until you hear what he has to say. Sir Waldron Smithers declared that—

—having been to Canada many times, he knew that "dollar wheat" showed a good profit.

And then under the heading "Charge against Canadians" we find this:

When Strachey went to Canada recently, he said, the Canadian farmers said: "Here comes this little chap from Britain. His people are very hungry. What is the most we can get out of him?"

To hon. members in this house I say this, that no greater insult could be directed at the farmers of Canada. No greater insult could ever have been heaped upon us. Does this member of the British House of Parliament know what he is talking about? He has a "sir" to his name and no doubt he should know better than make such ridiculous statements as these attributed to him. Does he know they are getting wheat at $1.55 a bushel? Does he know that the Progressive Conservative party in this parliament have maintained here in the House of Commons that Britain should not have got wheat so cheaply, but should be paying the world price? That, I think, is $2.79 today, if we use the Chicago price.

Mr. ROSS (Souris): It is $3.01.

Mr. BRYCE: I hope he reads this, then. Quoting further from the press, we find this:

Sir Waldron urged that food buying be left to purchasing firms with long experience and that healthy competition be permitted.

Upon looking up the "Parliamentary Guide" I find that Sir Waldron is a member of the London stock exchange. Here is a man who has no doubt spent the best part of his life chasing hounds and shooting grouse, a man who has lived by the sweat and toil of others, and who is now calling for the "good old days" which orderly marketing and guaranteed prices will destroy. It makes my blood boil to read this, after what Canada has done to provide food for Britain. But let us hope he is only one in a million.

Here is a letter I received from a lady in Glasgow on Friday last; and I have received many such letters. She says in part:

Many thanks to Canada for our Sunday breakfast. The last three Sundays we have been able to have one strip of bacon and one Canadian egg, which was enjoyed greatly by all of us.

When you go to the people who suffered you find that they do appreciate what Canada did for them. They do not think we are holding them up. I feel I know what I am talking about, because I was over there. Hon. members who were also there will agree with me that Canada has done and is doing everything a sister nation of the British commonwealth could be expected to do. She stood by Britain at Dunkirk; she gave her best sons, who now lie in graves across the sea; she gave her food and munitions, and did everything in her power to support Britain in her time of need.

Having lived for thirty years in the old land, I know this type of gentleman only too well. Most of them have a valet to dress them in the morning. But I am pleased to notice that this type of gentleman is now becoming scarce in the British parliament; most of the members there today can at least put on their own pants.

Mr. D. S. HARKNESS (Calgary East): Mr. Speaker, the hon. member for Selkirk (Mr. Bryce) has been talking about a man named Smithers, and apparently received a

considerable amount of applause because of that reference. As he was speaking of this chap Smithers, I thought to myself, from his description, how remarkably like Smithers is the Minister of Agriculture (Mr. Gardiner), except, of course, for his stock-broking and grouse shooting activities.

Mr. GARDINER: There are other things, too.

Mr. HARKNESS: So far as his attitude with respect to wheat is concerned, I think Sir Waldron Smithers is very much the same as our Minister of Agriculture. He is just a little behind; he thinks a dollar a bushel for wheat is all that the western farmer should have, while our Minister of Agriculture, a little more advanced, says it should be $1.35. That is all he is going to pay in the next four years. There is a hope there may be a little left in the kitty after that to supplement it.

However, what I rose particularly to say was this: The hon. member for Fort William (Mr. McIvor) said that there were two things in this bill which stood out as far as he was concerned. There is only one thing which stands out as far as I am concerned, and it is this: The essential principle of this bill is that the marketing of all agricultural products except wheat, which has already been looked after, is brought completely under the control of the Minister of Agriculture. In other words, this bill makes the Minister of Agriculture practically a dictator as far as the marketing of agricultural products is concerned. That is really why I object to it. I believe the bill as it stands is practically pure and simple socialism and, as a result, I am going to vote against it. As a matter of fact the best feature about the bill is that it has a one-year termination clause. That is about the only good thing I have to say about it.

The bill enables the minister to make new contracts, which I think is one of its most objectionable features. I would be prepared to give the minister all the powers necessary to enable him to meet the contracts which he has made with Great Britain for cheese and bacon and other products. I have no doubt a considerable number of the powers he has asked for in this bill are required for that purpose. However I object most strongly to giving him the power to make new contracts, thereby perpetuating the situation we have at the present time, where the minister brings in a wheat bill and says, "I must have these powers so that we can fulfil our commitments to Great Britain"; or where he brings in this bill and says, "I must have these powers so that we can fulfil the commitments we have made to Great Britain in the matter of dairy products and so forth."

Is this thing ever going to end or will it continue indefinitely? If the minister has the power to make new contracts a year from now we shall be faced with the situation where he can come back and say, "Here are these contracts which must be met because Canada cannot go back on her word. I must have these powers." Therefore we shall never get away from this socialistic type of legislation which puts into the hands of the minister and the government complete control of the marketing of agricultural products.

I think the hon. member for New Westminster (Mr. Reid) stated an obvious truth when he said that we all realized that times have changed, that we can never go back to the situation which existed ten or fifteen years ago. I think everybody realizes that. I think we realize that, as long as we have to deal with totalitarian countries and countries which engage in state trading, we shall probably have to carry on a certain amount of state trading ourselves. But surely if we are a free enterprise country and are going to continue to be, our efforts should be directed toward getting away from state trading as rapidly as we can and getting things back to the place where we have a free exchange of goods and more or less of a free world market if this can possibly be done. Possibly it is too late and it may never be done, but for goodness sake, let us work toward that goal instead of working in the opposite direction, which I submit this bill does.

I was interested in some of the remarks of the hon. member for Middlesex West (Mr. McCubbin). He asked a question which I laughed over a little. He asked, "Why do I support this bill?" I think it was obvious to everyone in the house why he supported it. He supported it because the Minister of Agriculture introduced it. That was sufficient reason for him. When the Minister of Agriculture introduced the resolution a week or two ago, and when the hon. member for Middlesex West spoke in connection with beef, both said that there was no doubt in the world that the United States was the best market we could have for our beef, that it was our natural market. But both of them immediately turned around and said, "By no means let us send any beef there; it is our best market, but under no circumstances let us send any beef there; let us get as far away from it as we can." Both said, "No, we will not send even a token shipment of beef; it is not necessary; it is not required."

I should like to repeat what I said when the matter was first introduced. I said that a considerable number of the largest beef producers in this country think it is necessary. I said that I thought their advice on the matter should have been listened to by the government, and listened to carefully. I have a great deal more confidence in their judgment on the matter than I have in the judgment of the hon. member for Middlesex West.

Mr. GARDINER: They do not produce ten per cent of the beef.

Mr. HARKNESS: Who does not produce?

Mr. GARDINER: The men you are talking about.

Mr. HARKNESS: Those men may not produce more than ten per cent of the beef, but the Minister of Agriculture knows that we never exported in normal times even ten per cent of our beef. It was generally a good deal less and these are the men who produced the beef to be exported.

Mr. GARDINER: Some of it.

Mr. HARKNESS: To a large extent they raised our export beef.

There is only one other thing I should like to say. The minister said that there is a demand in Great Britain for all the beef we can produce in the next five years. I believe that is correct, but one question comes to my mind. What price are we to get for it? What price can the people of Britain afford to pay for this beef during the next five years? Are the beef producers of this country to be asked to sell their beef to Great Britain at a price much below what they could get on the world market, in the same way that our wheat producers are being asked to take a loss of some $1.50 a bushel under the present Chicago price? Is that situation to go on for five years? If so, I for one do not think the beef producers of this country will be content. I do not think they should be called upon to make that sacrifice. If we are to have to sell beef to Great Britain during the next five years under the world price, the whole project should be underwritten as a national undertaking by the people of Canada as a whole. It should be paid for out of taxes and should not be assessed against the beef producers.

Mr. C. E. DESMOND (Kent, Ont.): Mr. Speaker, if I am permitted to say a word about Bill No. 25 it would be this: I am one of those who has waited patiently for a federal agricultural marketing act. At last we have it, but what an act!

Mr. GARDINER: You have not it yet.

[Mr. Harkness.]

Mr. DESMOND: That is what I am afraid of. I have listened patiently to a great deal of talk about wheat and I do not propose to mention that commodity, or the fact that our Ontario soft winter wheat has been priced away out of line. I have been intensely interested in the problems that face the primary producer in connection with orderly marketing. I have the privilege of representing a county in southwestern Ontario. Unfortunately for me I was paired with the hon. member for Essex South (Mr. Clark) when the amendment of the hon. member for Yale (Mr. Stirling) was voted upon. I strongly endorsed that amendment. The reason I paired with the hon. member for Essex South was that he is one of those who is most conversant with the marketing problems of our district. I also listened with tremendous tolerance to my very good friend the hon. member for Middlesex West (Mr. McCubbin) when he addressed the house tonight. I immediately went across the floor and congratulated him, and also corrected him on a few mistakes which, in my opinion, he had made.

When the Minister of Agriculture (Mr. Gardiner) brought down this bill I do not know exactly what he had in mind, but I do know from whence the idea came. It came from the producer boards of British Columbia and southwestern Ontario. It was not the child of his own mind at all. He may have been part and parcel, one of those who were in on the play when the Natural Products Marketing Act was booted off the field of Canada's trade. Now he has seen fit to bring it back in a camouflaged form whereby all the power is vested in the minister, giving him absolute control in the marketing of the products that have been brought to his attention. As one of the farmers of this country and having been intensely interested in orderly marketing of the specialized commodities raised in our district, I felt I would be remiss in my duty if I did not bring a few matters to the attention of the minister at this time. I have hesitated all during the war to make myself heard or to be critical of what, in my opinion, was an earnest desire on the part of the Department of Agriculture, including the minister, to do the best job they could for Canada, and I am not given to handing out bouquets where I do not feel they are deserved. I have presented many of our producer boards to the minister, and I would say that our producers, having come through a serious depression during the thirties, and having come into controlled position during the war, have submitted gracefully to the situation.

My good friend the hon. member for Middlesex West mentioned one of our commodities, beans. Some members of the house may smile when I mention beans. I could mention hybrid corn, onions—and this is not Mitchell Hepburn speaking—tobacco and other commodities. All these commodities mean a good deal to the economy not only of southwestern Ontario but of Canada as a whole. Were I to quote the excise revenue from tobacco alone, the house would be convinced of its importance to our economy. It is my opinion from what I have gleaned in the last few days—I have not the actual figures —that the revenue from tobacco alone was over $400 million.

As I said, my good friend from Middlesex mentioned beans. I place an entirely different interpretation on that situation. In 1940, the first year of the war, we found ourselves with a surplus of beans. We had a board but it had not been functioning actively up to that time. It had some difficulties in organization and in bringing together a majority of the producers of that commodity. We came to the department here in Ottawa and pleaded for a price that would relieve us of that surplus. We had no knowledge of how long the war would last or what it would mean in foodstuffs, and no knowledge of the tremendous drain we afterwards experienced on the young producers of our country.

Then we found ourselves running short of beans. Our primary producer group came to Ottawa and waited on the minister, on the special products board and the food board and asked for a price that would ensure a reasonable production of beans. After we had entered into a contract with the British food ministry to provide Britain with a reasonable amount of beans in comparison with the lend-lease shipments of beans from the United States, our price was fixed at $2. That was not ample enough to bring about the desired production. In the year following, we entered into an arrangement and sold approximately one-third of our production to those who needed it so badly in the United Kingdom, but at a great sacrifice to the consumers of this country. We did not meet our quota but those beans were sold on the basis of $3 a bushel. Ours had been subsidized to the extent of fifty cents. We were on the $2.50 level. We were operating on a participating certificate in so far as our domestic market was concerned. That brought us up to $2.69 in Canada as against $3 for our overseas commitments.

I would say to hon. members that when you find a producer group vitally interested in the perpetuation of an industry that is their bread and butter, that means their livelihood, medical attendance and education and everything else for their families, it means much more to them than it means to any minister of agriculture.

Mr. GARDINER: That was done under the orders in council.

Mr. DESMOND: I thank the minister.

Take some of our other commodities; tobacco, for instance. We have fought and laboured to bring about a situation that would be satisfactory to our producer group. What have they accomplished? If we are to interfere with producer groups; if producer boards are to be shorn of the authority and powers they have exercised—I am not saying that governments should not play a part in it because we need their moral support and their assistance when it comes to disposing of an exportable surplus such as we may experience in the years that lie ahead—we do not want dictatorial powers given to any individual, whether it be a minister or someone else authorized to do that job. What we have done in our producer groups is this. We have convinced our processors, our distributors and our consumers that those who are most vitally interested in any business can handle it reasonably well.

Mr. GARDINER: The government board has just as great powers as you asked for.

Mr. DESMOND: My interpretation of the bill may be wrong. I rose in rather an apologetic way because I had thought that when the federal agricultural marketing legislation was brought down I might even have to walk across the floor of the house, but I do not feel that I can do so now. I cannot see that it has provided for these groups what I hoped it might.

I listened attentively the other day to what was being said, and to show you, Mr. Speaker, how short my memory is, I have forgotten from whence it came, but I heard someone commending some hon. member in the house, or perhaps it was the minister, for the fact that the statistical branch in Ottawa was almost perfect. I disagree with that. All my experience with marketing organizations has been one with which I am in entire agreement. I have every respect for members of the government and the Department of Agriculture and the work they are attempting to do, but I feel they often get the cart before the horse.

One respect in which this is true is in connection with the duties assigned to our trade

commissioners. Trade commissioners may be selected on the basis of being bilingual, or the trade commissioner may be a Beau Brummel, one who is able to cope with social activities abroad, or it may be that he has an intimate knowledge of the commodity he is asked to dispose of and the markets which he is asked by the department to explore. But in all my experience with producer boards I have yet to see a trade commissioner come to us and ask for any guidance or direction. I am not saying that authority should be taken away from the government, but I feel that those who are vitally interested in their own affairs should not be discouraged by being shorn of that right. When you are part and parcel of an undertaking, that brings together the manufacturer, the distributor and the consumer; when you increase the price of the commodity substantially; when you maintain the dividends of the company and do not increase the cost to the consumer one iota, that is an accomplishment, and I would hesitate to go back to my producer groups if I felt I had not attempted to convince the minister; and I am doing so in a kindly way. At least, I hope I shall succeed, because I am vitally interested in this business of marketing, and I see no reason why the minister should take unto himself such authority and power. I will grant you that it may be fitting and proper in order to keep our commitments and pledges and promises to other countries. When we sign "Canada" on the dotted line we mean Canada and we are prepared to support the signature; but when our groups go out to do a job and have been successful I resent very much the fact—and I hesitate to support any bill that would make it possible—that they are robbed of that power.

Mr. J. M. MACDONNELL (Muskoka-Ontario): I have not the advantage, like my desk-mate, of being a farmer but am only the representative of a farming constituency, so that my knowledge of agriculture is of a somewhat vicarious nature. I might have hesitated to speak on this bill but for the fact that I was greatly encouraged by the words which the hon. member for Vancouver East (Mr. MacInnis) used the other day when he said—and these words interest me for more reasons than one:

> Mr. Speaker, I am a modest sort of fellow and do not like to express opinions unless I know a little about the subject with which I am dealing. But since there are, evidently, so many immodest people in the chamber I thought I might as well take a flyer too.

I think that phrase about taking a flyer is unsuitable in the mouth of one who believes wholly in a controlled economy.

[Mr. Desmond.]

I have not, either, the advantage of having played football with the Minister of Agriculture (Mr. Gardiner).

Mr. STIRLING: That is yet to come.

Mr. MACDONNELL (Muskoka-Ontario): I would have been at a great disadvantage in that event, because on the low tackle the minister would have had all the advantage against me. But in any event I hope my desk-mate will have softened him up, so that he will not be as formidable as otherwise he would be.

I would say this, before I forget it, that I am always interested in the exchange between the minister and hon. gentlemen immediately to my left as to who deserves the credit for many of the great things that have happened in Saskatchewan. I hold myself out, and I am sure some of my associates would join me, in a sincere desire to act as arbitrators. We would be ready, I think, to arbitrate as between the Minister of Agriculture and hon. gentlemen to my left as to who deserves the credit for these great things that have happened in that province, and perhaps we might then dispose of the matter. That, however, would be unfortunate, because we should then have disposed of a prolific subject of discussion in the chamber.

I would not be standing here tonight and taking your time, Mr. Speaker—and I hope I shall be brief—except that I feel that this is one of the instances, of which there are many, which show that we are still suffering from a war mentality; that we are still slipping along what the hon. member for Stanstead (Mr. Hackett) called the Gadarene slope, which I understand was where the swine all ran down into the river.

Mr. HACKETT: The sea.

Mr. MACDONNELL (Muskoka-Ontario): The sea, the hon. member tells me.

Mr. HACKETT: They were engulfed.

Mr. MACDONNELL (Muskoka-Ontario): I raise this question for the serious consideration of all hon. members, because it seems to me that, unless we are able to take more seriously than we do now, the question of the concentration of power, we may wake up one day to find that we have gone farther than we ever intended. These, I am sure, are great days for those who believe in controls and the multiplication of controls. I am sure they must take great satisfaction; they should take great satisfaction. They must feel that we are all moving in their direction. Similarly these are poor days for liberals, with a small

"l", and even for Liberals with a large "L", because many men opposite feel, I am sure, as I do. I am sure they feel that, as we go on from one concentration of power to another, the wonder is, when the time will come when we shall turn in the other direction. I know it is in the air. We are told that it is being done in the European countries, that it is being done almost all over the world, and that we must follow the fashion. But I would point out that there is one great country, the country to the south of us, that is not following the fashion in this regard, but rather is trying to burst its bonds and get clear. We should try to remind ourselves of that fact instead of feeling that we must join in what I regard as a most unenviable procession to bind ourselves with fresh chains.

I do not want to sound extreme. I know that many men opposite and many men in the government share that feeling to a certain extent. I do not forget that attempts are being made to introduce greater freedom, and therefore I wish to be quite fair in this. It is far too serious a matter for us to talk about it insincerely. When I see a bill like this, which my desk-mate says is for the purpose of giving to the Minister of Agriculture a power which ten years ago we would have thought inconceivable, we are doing it, I suggest, merely because we are still possessed of the war mentality. Let me read what the minister says, because he is quite frank about it, as reported at page 1389 of *Hansard:*

> To indicate what we did under that legislation, let me point out that we went into Ontario and into Quebec and took all the cheese produced between May and October, in two different years of the war; we took all of it, and shipped it to Great Britain . . . And at other times we used the authority we had under the act to go into packing plants and take the bacon, and to say to our own people, "You can have in this country only fiftv per cent of what you were buying in 1940. The remainder of it is going to Great Britain."

I approve that. Further on, the minister said:

> We are suggesting in this legislation that for one year we be given authority to continue to do what we were doing in war time.

Mr. GARDINER: Read another sentence.

Mr. MACDONNELL (Muskoka-Ontario): I will do that.

> We are not saying that everything we did during war time will be done; but we are saying, or suggesting, that the authority we had during the war time should be allowed to us for one more year.

As I say, I want to be fair in the matter. What I am suggesting is this, and it has been most interesting to me to observe it during the time I have been here. When people get power, particularly when they are people of character and ability, they say to themselves, "It is good for us to have power. It is good for the country that we should have power because we will not misuse that power. We will use it properly." And I think they believe it. But in my opinion there is great danger in that attitude. My colleague in the next seat has pointed out these unprecedented powers and, while he has made clear what the hon. member for Calgary East (Mr. Harkness) has also made clear, that we recognize that when an agreement has been made we must honour it, we must give the necessary power to carry it out, nevertheless we object and I object—and that is the reason I will vote against this bill if it remains unchanged—to additional powers being taken. The minister says he is not going to use the additional authority which is asked for.

Mr. GARDINER: There are not any additional powers in it.

Mr. MACDONNELL (Muskoka-Ontario): There are powers to make further contracts. That has been made perfectly clear. If the minister does not need the power I say, do not put it in. Second, the minister does not need to consult with anybody. He says that he does consult, but the act says he merely may consult. When we try genuinely to introduce some machinery whereby the power is diluted, whereby the people have some chance to deal with their own affairs, the minister is against it. I think it is an understatement to say that the minister wishes to stuff something down our throats without change, instead of trying to see whether there is some way whereby even a tincture or a scintilla of freedom and democratic control can be preserved. The minister asks for the bill, the whole bill and nothing but the bill. He will not even allow the bill to go to a committee, and I will come back to that in a moment. There is to be no attempt to see whether it is not possible to work out something which would give something less than this full power to the minister. We must take the whole thing.

Mr. GARDINER: May I ask one question? I know the hon. member wants to get the matter straight. May I ask where in that bill I am given any authority at all to exercise any powers other than those exercised during the war? And during the war we exercised all our authority through boards.

Mr. MACDONNELL (Muskoka-Ontario): My whole point is that the war is over. My whole point is that you act as if it were still on.

Mr. GARDINER: The whole point is that this is special legislation which is brought before the house for the purpose of extending these powers for a limited period of time, namely one year.

Mr. MACDONNELL (Muskoka-Ontario): Does the minister mean that this parliament has no power to change it or to lessen it?

Mr. GARDINER: No.

Mr. MACDONNELL (Muskoka-Ontario): What is the use of telling me that this is for the purpose of retaining it? I am suggesting to the minister that the war is over and that it is competent for him to change these powers to some extent. There is no compulsion on him to come back here for exactly the same powers as he had during the war. Although I am neither a prophet nor the son of a prophet, I say that if we do not begin now to lessen these powers, a year from now it will not be easier but will be harder to do so. They will have had another year by then.

Mr. GARDINER: The whole contention since we began this discussion is to give me more power than I am asking for.

Mr. MACDONNELL (Muskoka-Ontario): I am all in favour of the minister asking me questions and I hope that I shall be able to answer them. But I suggest now that this is my speech and that the minister might let me make it. I am not as seasoned a campaigner as he is, and he may put me out of my stride and make me forget the rest of what I was going to say, which is very good if I do not forget it.

I wish to go back now and say that what I am complaining about—and really the minister is helping me to this extent, that he seems to me by his actions to be just underlining what I am saying—is that we still have this war mentality; and, if it goes on long enough, we may just as well say good-bye to our desire to get back our freedom. Do not let us fool ourselves. I would say that the chances of our getting our freedom back now are quite precarious. We live in a world where there is precious little of it left. Look at what is happening in Britain, the home of freedom. The minister knows better than I do the fears which are entertained there already, and the things they have been forced into which they never would have wanted. Do not think I am criticizing the socialist government there. I respect it. I think they have great difficulties. I think they have almost overwhelming difficulties. But do not let us forget that things are happening there today which would not have happened ten years ago; and when they are happening in Britain, which has been the home of freedom, it is time for us all to think about it and to watch when we give these powers to people. I do not care how greatly we respect them. I respect the Minister of Agriculture. But I say that it is a great mistake to give this kind of power to anybody. I say also that every month these powers continue it will be just that much harder to get rid of them.

If I may be out of order for just thirty seconds, I should like to point out that we are being told in one of the committees that we live in a world of import and export controls. We are asked to believe that we cannot even buy goods abroad unless we buy through the government. We are asked to believe that other people will not want good Canadian and United States dollars unless the purchases are made by our government. That is the length to which this war mentality, this control mentality, has gone. That is the only reason I am on my feet tonight. I believe with all my heart that, unless we pull ourselves together and begin to shake ourselves free from that, as I say, month by month it will become more and more difficult. The minister, of course, is somewhat of a conundrum to me. I had some dealings with the minister in those far-off days when I was in business, and I found the minister a very satisfactory man to do business with.

Mr. GARDINER: I hope he still is.

Mr. MACDONNELL (Muskoka-Ontario): He was pretty tough, but he was fair. But since I have been dabbling in politics, I have come to know a side of the minister which I did not know before.

Mr. HACKETT: He was an amateur.

Mr. MACDONNELL (Muskoka-Ontario): He was not an amateur in business. I would say that he was quite a professional in business. But I gather in politics he is the genuine article; he is super-professional. I gather that power is a thing the minister knows a great deal about, more than I shall ever know, probably, because I shall not have thirty-three years in which to exercise it, as the minister has. When I found these powers so well described by my desk-mate tonight, these unprecedented powers which, during the war, we gave because we recognized the necessity for them, and when I find that a great many people take this special war period and want to project it into peace time, I confess that I am alarmed.

I wish to say just one more thing on this amendment; and by the way, I hope it is not going to be withdrawn. I have been nervous several times tonight. I thought I would have a chance to vote for a C.C.F. amendment, and every time it was suggested that it be withdrawn, I became nervous.

Mr. COLDWELL: You will have the chance.

Mr. MACDONNELL (Muskoka-Ontario): The minister reassures us. I like his stubbornness at times, although I dislike it at other times, and I think he is pretty tough about this.

Mr. GARDINER: When the C.C.F. propose a Tory motion, I ought to be stubborn.

Mr. MACDONNELL (Muskoka-Ontario): I shall not attempt to put a name on it. I will just say that I deal with motions and amendments on their merits and try not to attach any labels to them; I try to take them for just what they seem to say. This seems to me to suggest what I would have thought was a very reasonable thing. I take it that it is a matter of some importance. I imagine that the minister will not deny that a matter which involves or may involve hundreds and hundreds of millions of dollars is of some importance; and yet for some reason, that no one has ever attempted to give, the minister is refusing to let this go to the agriculture committee where it can be discussed. I understand he is refusing to do that.

Mr. GARDINER: I have not been asked. I have not had a chance to refuse.

Mr. MACDONNELL (Muskoka-Ontario): At any rate, the minister has said many things which my limited intelligence understood to mean that he was not having any of this amendment which suggested that it go to a committee.

Mr. GARDINER: To bring in a new bill.

Mr. MACDONNELL (Muskoka-Ontario): Just a minute, I am trying to make this speech, however inadequate it may be. If it were not for the fact that I have a fairly loud voice I think I would have been out of action long before now. This amendment, if I understood it correctly, says that the subject matter of the bill be referred to the committee on agriculture and colonization with instructions that they have "power to recommend provision for," and so on. The minister seems to read that in a way I do not read it.

Mr. GARDINER: That is the only way you can put it.

Mr. MACDONNELL (Muskoka-Ontario): Just a moment; let me give my views. You will have your chance later on. I read this as suggesting that it go to a committee, and then indicating to the committee that they can do certain things if they wish. It does not tell them they have to do these things, and it does not tell them they cannot do a lot of other things. Therefore I cannot see for the life of me why, if this is important, it should not go to the committee, and no reason has as yet been given. If this amendment is to be voted upon, I suggest that a reason should be given.

Finally, before taking my seat, I should like to refer to the same incident to which the hon. member for Souris (Mr. Ross) referred, because I think it is so aptly in point here. I propose also to read a sentence or two from a newspaper which has not always supported the Minister of Agriculture, though by and large it has supported the government. At any rate, it always supports the government at critical times. From time to time I have hopes that the Winnipeg *Free Press* has seen the light and that it will continue to see the light when an election is on, but it seems to me it occasionally sees the light between elections but at election time it is always in darkness. In any event, this is what they say now, and if the minister has not read it I am sure he will be very much interested. I should explain that this refers to the wheat agreement, but I suggest that the comments it makes on the wheat agreement can stand on their own feet and that they are perfectly apt in referring to this measure, because they refer to an important principle, namely that of referring important matters to committee. So I crave Your Honour's indulgence for just a moment to quote a few sentences from the *Free Press*. I like to read the *Free Press* when it is right, even though it is not often right. They speak about what the government has done, and then they say:

> Even so, it should not necessarily follow that a Liberal government, in embarking upon an illiberal policy, should proceed by autocratic methods.

Then they refer to the fact that a committee was refused on the other bill, and go on to say—this merely embroiders what my hon. friend said—something that makes the thing clear and drives it home. They refer to the wheat board bill of 1935, when the Prime Minister (Mr. Mackenzie King), then leader of the opposition, said:

> "It has, I think, been customary in connection with a measure of this importance to have it referred either to one of the select standing committees of this house . . . or to a special committee."

And again:

"I therefore am asking the Prime Minister... that the bill . . . be referred to a select committee."

The then Prime Minister, Mr. Bennett, replied, and this was really quite a love feast:

. . . if he (Mr. King) believes that the matter would be better dealt with by a committee than by discussion in this house, I would be the last man not to accept his system.

Obviously the word "system" should be "suggestion"; even the *Free Press* can nod at times. Then it goes on:

I believe it is my duty to accept one of these methods . . .

Mr. GARDINER: That was the change in the bill.

Mr. MACDONNELL (Muskoka-Ontario): That was to refer the matter to a committee. I am suggesting that, unless some far better reason is given than has been advanced so far for not referring this matter to a committee, it is an extraordinarily high-handed procedure for a government calling itself a Liberal government to adopt.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, I was quite prepared to let this amendment go to a vote until a few hon. members spoke tonight expressing opinions which I believe should be answered. Before I conclude, I should like to make an appeal to the minister, perhaps a final appeal before we have the vote, to give the house the assurance that early next session, since apparently he will not do it this session, he will bring down a marketing act such as the Canadian farmers have been requesting.

Before I go on to that, however, I want to make some reference to the remarks of the hon. gentleman who has just taken his seat, and those of one other hon. gentleman to my right. It is intriguing to listen to hon. members talking about the legislation we have before us and making broad statements about this legislation containing unprecedented and unheard-of powers. The hon. member for Muskoka-Ontario (Mr. Macdonnell) used that phrase several times; that in peace time this bill gives the minister or the governor in council unprecedented and unheard-of powers. Those powers are neither unprecedented nor unheard-of. I have before me the Natural Products Marketing Act, 1934, passed by the administration headed by Mr. Bennett. Some hon. members present will remember very well the debate which took place at that time. In looking through this act, I found on page 2, for example, the powers given the governor in council enumerated one after the other, with the words "governor in council" occurring in almost every line. To refer to specific portions of that act, I find that on page 3 it says:

—The board shall—

Mr. FLEMING: It is the board; not the minister.

Mr. ZAPLITNY: I shall come to that in a moment.

—subject to the provisions of this act, have power

(a) to regulate the time and place at which, and to designate the agency through which the regulated product shall be marketed, to determine the manner of distribution, the quantity and quality, grade or class of the regulated product . . .

And so on. Then, further on:

(f) to require any or all persons engaged in the production of marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

Then it goes on to give other powers to the board, and goes farther and says on page 7 that, whenever the governor in council, not the board—

. . . is satisfied, on the recommendation of the minister, that a majority of the persons engaged in the production or marketing of a natural product so require, he may approve of a proposal for . . .

Then it goes on to give him a whole list of other powers. These are not the powers of the board; this is done by the governor in council on the recommendation of the minister. Then on the same page it provides:

The governor in council may by order or regulation, notice whereof shall be published forthwith in the *Canada Gazette*,—

(a) regulate or restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product.

I now turn to page 9 of the marketing act and find this:

The minister may, at the request of the board or upon his own initiative . . . .

Do certain things. Again:

The minister may also require persons engaged in the production or marketing, adaptation for sale, processing or conversion of any natural or regulated product to submit at regular intervals or at any stated time, information demanded by the minister in connection with the matters referred to in subsection one hereof.

Then I come to the most interesting part of the bill, on page 10, dealing with penalties, where it provides:

Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is exces-

sive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the natural or regulated product, shall be guilty of an indictable offence and liable to a penalty not exceeding five thousand dollars or to two years' imprisonment, or, if a corporation, to a penalty not exceeding ten thousand dollars.

Mr. COLDWELL: Who put that in?

Mr. ZAPLITNY: It was quite clearly put in by the Bennett administration. I remember that the other evening hon. gentlemen to my right said the government apparently was getting more socialistic all the time because the penalties were increasing. Well, here we find them making provision for a penalty of $5,000 in the case of individuals and $10,000 if it happens to be a corporation. They must have had in mind a corporation consisting of two individuals. So it goes all through the bill. I have read only enough to point out that a great deal of this talk about the wide powers and the regimentation contained in this legislation is not based upon fact; and that the unprecedented and unheard-of powers about which the hon. member for Muskoka-Ontario is so good at giving the house grave warnings, are not unheard-of or unprecedented, because in what I have read we have a very good precedent.

Mr. SMITH (Calgary West): Will the hon. member permit a question? Do you believe in a police state, or do you not?

Mr. COLDWELL: Mr. Bennett tried to establish one under that bill, apparently.

Mr. SMITH (Calgary West): Do you believe in a police state, or do you not?

Mr. ZAPLITNY: I concur in the answer of my leader.

Mr. SMITH (Calgary West): Which said nothing; and therefore you concur.

Mr. ZAPLITNY: If the hon. gentleman wishes to have an answer from me, then I will say, no; that I do not believe in a police state.

Mr. SMITH (Calgary West): You are advocating it.

Mr. ZAPLITNY: I have not even started advocating anything yet. I was merely pointing out what the Bennett administration had done. If it sounded like a police state to my hon. friend and those around him, it is not my fault.

Mr. SMITH (Calgary West): I was in here before you ever thought of getting in.

Mr. ZAPLITNY: I will also say this, that the hon. member for Muskoka-Ontario said he was afraid of placing too much power in the hands of the government. He emphasized that, and pointed out the great danger of placing too much power in the hands of the minister, and how the love and lust for power may corrupt the intentions of the minister, whom he liked so well.

I am not one who would like to concentrate power in the hands of any individual. We have to make a choice. We have to make our decisions in this house on practically all legislation which comes up, as to whether we shall place the power of regulating trade and commerce, and things that come within our purview, in the hands of the elected representatives of the people, in whom the people have expressed their confidence in a democratic election, or whether we are to leave those powers in the hands of corporations and those firms which are only too ready to exploit the producer. That is our choice. And for my part I prefer—

Mr. MACDONNELL (Muskoka-Ontario): May I ask this question: are you against your own amendment?

Mr. ZAPLITNY: I will come to that in due time. But I want to start where the hon. member left off, so as to keep the continuity of it. I was going to say, before I was interrupted in the middle of a sentence, that I prefer to place power where I believe the power in a democratic state ought to be, namely, in the hands of the elected representatives of the people.

Since the individual representatives of this party cannot be here all year round to exercise the power vested in them by the people, they must delegate a certain portion of that power to the administration which is charged with the responsibility of carrying on the work of the country in the interval. In doing so—

Mr. FLEMING: We are well on the way to totalitarianism, then.

Mr. ZAPLITNY: You might be an expert on totalitarianism, and as such would be qualified to speak about it. But I am not.

Before I go on, I also wish to say this, about the amendment the hon. member is so worried about, that I am not going to urge its withdrawal tonight.

The hon. member for Calgary East (Mr. Harkness), who spoke earlier in the debate, again referred to this question of socialism. We do not mind debating socialism in the house; but I do not know why it has to be dragged into almost every piece of legislation which comes before the house. The hon. member said that this measure was pure socialism. He even expressed the opinion that it may be too late to go anywhere else except, as he expressed it, down the road to socialism.

I think he will be surprised when the vote is taken tonight—if it is—or within a day's time, as to how many socialists there are in the house. Because I predict that, with the exception of the group to my right, all hon. members in the house, or a very large majority of them, will vote for this bill.

I would remind the hon. member, too, that they applied the same term to the wheat board bill. They called it socialism at that time; but when it came time to vote they rose in their places, like good socialists, and voted for it.

Mr. SMITH (Calgary West): You preach it; they practise it; that is the difference.

Mrs. STRUM: And you vote for it.

Mr. ZAPLITNY: If this measure is socialism—and I am not saying that it is, because there is more involved in socialism than the mere passing of an act of parliament—it is the evolving of a philosophy of life, placing civilization on a higher plane. But if this is socialism in the mind of my hon. friend, then hon. members across the floor of the house who ordinarily cannot be classified as socialists, and who do not profess to be—and I refer to two of them in particular, namely the hon. member for Fort William (Mr. McIvor), for whom I have a high regard, and the hon. member for Fraser Valley (Mr. Cruickshank) who contributes so delightfully to the debates of the house—both rise in their places and said that if this legislation is socialism, then they are socialists. In the face of this reconversion of political faith that is going on around us, I am afraid my hon. friends will be an island of resistance of their own.

Mr. ROSS (Souris): Many members across there do not agree with those two.

Mr. ZAPLITNY: I do not know why they should take that point of view. If they are not in favour of the government's having any control or regulation over marketing of products of the farm, then the logical thing for them to do would be to rise on every occasion and vote against such legislation, and not try to becloud it and camouflage it by calling it socialism.

Mr. SMITH (Calgary West): Surely that is not beclouding.

Mr. ZAPLITNY: I should like to refer to a pamphlet I now hold in my hand, which is called "Blue-Print for Progress," and is also headed "Bracken's charter for a better Canada." This is a delightful little pamphlet. I find there—and with many of its parts I agree thoroughly—a ready-made economic system to give to the Canadian people. We find that one of the things advocated is:

> We will appoint a board of live stock commissioners in which shall be vested power—

That terrible word.

> —to regulate and direct all aspects of live stock marketing.

Mr. MICHAUD: Regimentation of the worst kind.

Mr. MACKENZIE: What is that from?

Mr. ZAPLITNY: It is from Bracken's "Charter for a better Canada". There are a great many more delightful things in the pamphlet which I shall not take the trouble to quote. There is this, for example: compulsory collective bargaining and other things along that line. I am pointing that out only for this reason—and not because I want to have any quarrel with my hon. friends; I enjoy listening to them—that I believe there is too much of a tendency to try to create an ideological difference on a piece of legislation which had nothing to do with ideology, at all.

Marketing legislation is not primarily a political football to be kicked around. I hold in my hand a report the meeting held in this city recently by a number of representatives of agriculture, under the auspices of the Canadian Federation of Agriculture, which included practically all the chief farm organizations in Canada. I believe hon. members from all sides of the house were invited to attend, and a great many of them did. I was one of them. I felt that the farmers there represented farm organizations in every province. There were also representatives of the provincial governments of many of the provinces, and there was unanimous agreement that they wanted marketing legislation. They presented a draft bill, which the minister has in his possession.

Here are some of the reasons they wanted marketing legislation. I believe these point out definitely that what farmers are asking for is something which other organizations have already had for a period of time, and which the farmers find is working in the interests of those organizations, so that they want to copy it.

I would quote from what Mr. Hannam, president of the C.F.A. had to say on that occasion:

> We have three-quarters of a million farmers in Canada. Working individually these farmers cannot have any plan for orderly marketing without rules to carry out the plan. Marketing legislation simply provides legal status for the rules agreed upon by the majority. Our producers have reasoned that if the great major-

ity agree on a marketing plan, then the will of the majority should prevail to carry out the plan.

So he goes on along that line, asking the government for marketing legislation. Another gentleman who spoke at that time was Mr. A. K. Lloyd of British Columbia Tree Fruits Limited, who said:

Why is it necessary? In view of the complexity of modern agriculture, it is essential in order that the producer may obtain at the least expense the greatest possible proportion of the consumer dollar, that he accomplish his marketing in an orderly manner. Such legislation will enable him to avoid the uneconomical waste which too often has caused the difference between prosperity and failure.

It is quite clear that the farmers are becoming anxious and want to get the greatest possible portion of the consumer dollar for the products that they have to sell. In other words, they want to find the shortest direct route between the producer and the consumer. In doing that they want to utilize government machinery set up for that purpose. Mr. Lloyd goes on:

Without such legislation, the basic industry of the country and one which is absolutely essential to its welfare, is left to the mercies of anyone clever enough to exploit enough.

That is putting it pretty close to the line. When hon. members to my right get up and accuse us of wanting to institute some sort of socialism I would point out that here is a gentleman who is saying that all they want to do is to take the marketing of their product out of the hands of the people who may exploit them and put it in the hands of the people who are interested in the welfare of the producer. I wish to impress upon the minister that the gentlemen who attended that conference felt a sense of urgency in this matter. I think it is unfortunate that the minister has not given the assurance to the house for which we have asked, that legislation of this kind will be forthcoming early in the next session. It is quite apparent that we cannot get it during this session. I want to quote Mr. Lloyd to show the urgency that was felt in this matter. He said:

Already there is a noticeable drift from the farm to the city, and this is hardly to be wondered at when it is remembered that the average farmer will be working from sixty to seventy hours a week, whereas other unionized labour has already achieved a forty-four or forty-hour week. Action on the matter under discussion cannot be postponed without distastrous results.

That is placing it pretty squarely on the doorstep of the minister. It points out that, unless action is taken quickly, there will be disastrous results in the production end of things.

I should like to go on now to the resolution which was carried unanimously by that conference. May I again emphasize that the chairman of the conference invited members of parliament who attended, to present their views if they had any in opposition to the draft bill. He got up repeatedly and asked members who were opposed to a marketing act of that kind to state their views. In my hearing, at least not one member of any political group got up and expressed any views in opposition to it. The following resolution was passed unanimously:

That this conference convened by the Canadian Federation of Agriculture with representatives of major agricultural organizations in attendance from all sections of the dominion ask that the directors of the Canadian Federation of Agriculture convey to the dominion cabinet the unanimous request of this meeting that legislation in line with the attached draft of a farm products marketing act, be introduced at the present session of parliament.

They wanted it right away. It was in pursuance of that thought that we in this group tried to do the only thing we could do, move an amendment in order that this bill might be given further consideration in an appropriate committee where the views of these organizations could be heard. We would then have an opportunity of hammering out a marketing act which would be in line with what the farmers are asking for. We are not opposed to the principle of this bill. We are going to support the principle of the bill and we have moved an amendment in an attempt to give time, both to the minister and to the government as a whole and to the farm organizations to get together to formulate an appropriate marketing act.

The minister says that it cannot be done at this time on account of the time element, since his powers will expire at too early a date and he must have power to carry on. We are willing to take a reasonable stand. We are asking the minister again to give us the assurance that at the next session of the house he will bring down a marketing act in line with the proposals made by this organization. If we get that assurance we shall have something to go on and the organized farmers will have something to go on until next year.

I do not see how it will be possible for any hon. member to rise in his place and vote against a bill of this kind if he says that he believes in orderly marketing and in living up to the agreements that Canada has made for the supply of food to Britain. I respect the views of my hon. friends to my right when they get up and say that this is a private enterprise country and that therefore we must

keep the government entirely out of business, let everyone run his own show. I respect their views, but the facts of the past and present do not bear out those views. It is no longer true to say that this is a private enterprise country. No one here can say it is entirely private enterprise. The events of modern times have brought us to the point where we must do cooperatively what we cannot do individually, and the marketing of farm products is one of those things.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, I wish to say a few words before the motion for second reading passes. I do not think the hon. member for Dauphin (Mr. Zaplitny) needs to be told that there is a great difference between the bill that is before us and the legislation which was passed in 1934. In 1934 boards were set up and powers were conferred upon the boards. We have transportation boards; we have all manner of organizations from courts down to temporary commissions and committees that are manned by appointees of the government. That is one of the accepted ways that democracy has of giving effect to the wishes of a democracy. I submit that that is an entirely different matter from the executive itself taking powers. In fact the difference is so pronounced that when war came we adopted this extraordinary method which the government seeks to perpetuate by this bill.

It is not my intention to rehearse the many arguments that have been put forward against the second reading of this bill, but there are one or two points I should like to accentuate. We have been told, not once but many times, that Canada has made agreements and that the agreements should be implemented. It does appear that Canada has made agreements, but because Canada has made agreements in an improper way it does not follow that we should indulge in further impropriety to give it execution. Agreements have been made under the War Measures Act after the war was over and when parliament was in session. Agreements have been made and are being made by the government when parliament is available to express its approval or otherwise of them, and I think it is pushing the argument a little far to say that because Canada has undertaken through, if you will, a usurpation of power to do certain things it behooves us to go farther and confer dictatorial powers on the government in order that they may be implemented.

This is not entirely a new device of government. You will recall, Mr. Speaker, that the provinces, for instance, did confer upon the federal cabinet the right to tax, but for a special purpose and for a definite time. Nevertheless the government, in the exercise of those borrowed powers, used them not to win the war but to win an election. The government used the borrowing powers that it had got from the provinces to raise money to bring in something which, in itself, is good, the family allowance, but it nevertheless used the moneys that it had to win the war for the purpose of winning an election, and now it is using what it brought in by the improper use of these moneys, something that itself was good, as an argument to keep in perpetuity the taxing powers it borrowed for the duration of the war only. That kind of argument is not sound argument. That kind of argument is not one which appeals very much to my imagination or to any generous sentiments which I may have toward people who are in want.

If the government has made these agreements to sell wheat or bacon or other commodities, undoubtedly they must be carried out, but let them be carried out as the hon. member for Calgary West (Mr. Smith) has suggested, at the expense of the people as a whole and not by a few. These agreements should not be used to push the people into further subjugation. The minister says. "I need this bill in order that I may implement agreements which I have made; I must have these iron controls in order that I may carry out my agreement with Britain." That is not so.

May I go just one step farther and say that we have had evidence in the last few days of the great danger which arises from governments entering into negotiations and transactions which are beyond their proper sphere and scope. When a government enters into trade it then exposes the nation to all the bickering and dissatisfaction that arise out of trade and especially out of trade by people who are not skilled in trading. When a merchant in Canada sells something to a merchant in Britain or to a merchant in Italy and a dispute arises, they may submit their difference to the courts; but when a nation deals with a nation there is no arbitrament but that of war. In these days when we are talking so much about peace; when we are seeking an abiding peace we seem unnecessarily to be creating causes for dissension and disagreement by injecting nations into the buying and selling of commodities and into all the disputes and difficulties which arise out of the marketing of goods, and denying them at the same time the benefits of arbitration, of adjustment and of settlement or appeal to the courts. I submit that we have got ourselves into a frame of mind from which it is

becoming more and more difficult to escape. One has but to frequent any of the standing committees to hear deputy minister after deputy minister explaining to the committee that it is the policy of government that there be more control; that there be more government management; that there be greater interference by the administration in what up to now we have considered to be the private business of the people of Canada.

I submit to you again, Mr. Speaker, that what we need is not more controls, not more legislation hampering the natural activities and the business of the country, but a government with nerve enough to rid itself of the controls which are weighing upon us even now, although hostilities are over for well nigh two years.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, in the first place I have had an opportunity of voting before for a marketing act in this house. That marketing act has been referred to tonight. It was brought forward by a Conservative government. It was opposed by the Liberal party almost in the same words as the hon. gentlemen to your left now use in opposing this bill. As a matter of fact I had the pleasure of challenging the present Minister of Agriculture (Mr. Gardiner) on that act in a by-election when he first came to this house, and I found that the Conservatives rushed out to join hands with him in defeating their own act and putting him back on a policy which destroyed that piece of legislation.

I am very glad to be able to give my support again to the measure now before the house. I regret the confusion which seems to be unavoidable in regard to this legislation now before us. For instance, the Progressive Conservative party are opposing this legislation because they do not desire this kind of legislation.

Mr. SMITH (Calgary West): Nonsense.

Mr. IRVINE: We are supporting this legislation, and we have moved an amendment from this section of the house because we think we can make the bill a little better than it is. That is the situation. I shall vote for the amendment, but I shall certainly support the bill. I should like, if the minister would do so before the vote is taken, for him to give the assurance that has been asked by those who sponsor the amendment.

The house divided on the amendment (Mr. Nicholson) which was negatived on the following division:

YEAS

Messrs:

Archibald	Lockhart
Argue	Low
Bentley	McCullough (Assiniboia)
Black (Cumberland)	Macdonnell (Muskoka-Ontario)
Black (Yukon)	MacInnis
Blackmore	McKay
Blair	McLure
Boucher	MacNicol
Bowerman	Manross
Bradshaw	Menary
Bryce	Merritt
Burton	Miller
Campbell	Moore
Case	Murphy
Casselman	Nicholson
Castleden	Pearkes
Charlton	Probe
Coldwell	Raymond (Beauharnois-Laprairie)
Daniel	Ross (St. Paul's)
Drope	Ross (Souris)
Ferguson	Rowe
Fleming	Senn
Fulton	Shaw
Green	Smith (Calgary West)
Hackett	Stephenson
Hansell	Stirling
Harkness	Stokes
Hazen	Strum, Mrs.
Henderson	Timmins
Hlynka	Townley-Smith
Homuth	Tustin
Irvine	Webb
Jaenicke	White (Hastings-Peterborough)
Johnston	Wylie
Kidd	Zaplitny—74.
Knight	
Knowles	
Kuhl	
Lennard	

NAYS

Messrs:

Arsenault	Fournier (Maisonneuve-Rosemont)
Baker	Gardiner
Beaudoin	Gauthier (Nipissing)
Belzile	Gauthier (Portneuf)
Benidickson	Gingues
Bertrand (Laurier)	Gladstone
Bertrand (Terrebonne)	Glen
Blanchette	Golding
Boivin	Gourd (Chapleau)
Bourget	Grant
Bradette	Harris (Grey-Bruce)
Brown	Ilsley
Brunelle	Jean
Claxton	Jutras
Cloutier	Kirk
Coté (Matapedia-Matane)	LaCroix
Coté (Verdun)	Lafontaine
Cournoyer	Langlois
Croll	Leger
Dechene	Lesage
Denis	Little
Dion (Lake St. John-Roberval)	McCann
Dionne (Beauce)	McCubbin
Douglas	McCulloch (Pictou)
Dubois	McDonald (Parry Sound)
Eudes	McGarry
Farquhar	McIlraith
Fournier (Hull)	McIvor

Mackenzie	Richard (Gloucester)
MacKinnon	Richard (Ottawa
MacLean	East)
Maloney	Rinfret
Marier	St. Laurent
Marquis	Sinclair (Ontario)
Martin	Sinnott
Matthews (Brandon)	Stuart (Charlotte)
Maybank	Tremblay
Mayhew	Tucker
Michaud	Viau
Mitchell	Warren
Mullins	Weir
Mutch	Whitman
Pinard	Winkler
Reid	Winters—87.

Mr. HAMEL: I was paired with the hon. member for Wright (Mr. Raymond). Had I voted, I would have voted for the amendment.

Mr. POULIOT: Mr. Speaker, did you call the motion for second reading? If so, I move the adjournment of the debate.

On motion of Mr. Pouliot the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 11.18 p.m.

Tuesday, March 18, 1947

The house met at three o'clock.

TRANSITIONAL MEASURES

CONTINUATION OF ACT OF 1945 UNTIL MAY 15, 1947

Right Hon. J. L. ILSLEY (Minister of Justice) moved:

That, whereas subsection one of section six of The National Emergency Transitional Powers Act, 1945, chapter twenty-five of the statutes of 1945, as enacted by chapter sixty of the statutes of 1946, provides that subject as thereinafter provided, that act shall expire on the thirty-first day of December, one thousand nine hundred and forty-six, if parliament meets during November or December, one thousand nine hundred and forty-six, but if parliament does not so meet it shall expire on the sixtieth day after parliament first meets during the year one thousand nine hundred and forty-seven or on the thirty-first day of March, one thousand nine hundred and forty-seven, whichever date is the earlier: Provided that, if at any time while that act is in force, addresses are presented to the Governor General by the Senate and House of Commons respectively, praying that that act should be continued in force for a further period, not in any case exceeding one year from the time at which it would otherwise expire and the governor in council so orders, that act shall continue in force for that further period.

And whereas it is considered desirable to continue the said act in force until the fifteenth day of May, one thousand nine hundred and forty-seven;

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

To His Excellency Field Marshal The Right Honourable Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, one of His Majesty's aides-de-camp, General, Governor General and Commander-in-Chief of the 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, respectfully approach Your Excellency praying that The National Emergency Transitional Powers Act, 1945 be continued in force until the fifteenth day of May, one thousand nine hundred and forty-seven.

He said: Mr. Speaker, on Friday I indicated to the house that an address would be moved praying for an extension of the National Emergency Transitional Powers Act, 1945, until May 15, 1947. This procedure is provided for in section 6 of the National Emergency Transitional Powers Act, 1945 which, after establishing the day upon which the act will expire, contains the following proviso:

> Provided that, if at any time while this act is in force, addresses are presented to the Governor General by the Senate and the House of Commons respectively, praying that this act should be continued in force for a further period, not in any case exceeding one year, from the time at which it would otherwise expire and the governor in council so orders, this act shall continue in force for that further period.

As matters stand at the present time the act will expire on the 29th of this month. As the house is aware, the legislation introduced by the government at the beginning of the session, which was intended to give permanent effect to certain orders and regulations made under emergency powers—or, perhaps I should say, rather than "permanent effect", effect for a further length of time of a year, or thereabouts, in most instances—has not been fully dealt with by parliament, and none of it has received royal assent. As yet opportunity has not been presented to introduce a bill which is to continue in effect the orders which are required for a limited period beyond the end of March.

In order that the measures which are to be provided for in this legislation may not expire before the legislation becomes effective, it is necessary to extend the life of the National Emergency Transitional Powers Act, 1945, sufficiently to enable parliament to complete its work and royal assent to be given to the resulting statutes.

As I indicated on Friday, I think it would be unsafe to plan for the completion of that legislation within a period of less than approximately thirty days after the conclusion of the

Easter recess. I should like to make it plain that the government has no desire to continue beyond the end of March any orders or regulations of the governor in council, except those to be appended by way of schedule to the Continuation of Transitional Measures Act to be based on the resolution standing in my name on the order paper, and except the orders and regulations of the governor in council to be replaced by the following bills:

An Act to Amend the Canada Grain Act;

An Act to Amend the Militia Pension Act;

An Act to Amend the Customs Act;

An Act to Amend the Feeding Stuffs Act, 1937;

An Act to Amend the Inspection and Sale Act, 1938;

An Act to Amend the Fertilizers Act;

An Act to Amend the Immigration Act, and to Repeal the Chinese Immigration Act;

An Act Respecting Import and Export Permits;

An Act to Amend the Militia Act;

An Act to Amend the Patent Act, 1935;

An Act Respecting Supplemental Payments on Mail Contracts;

An Act to Amend the Department of National Defence Act;

An Act to Continue the Revised Regulations Respecting Trading With the Enemy (1943);

An Act to Amend the Canadian Wheat Board Act, 1935;

An Act to Provide for the Sale and Export of Agricultural Products.

Then there is a bill, not yet before the house, relating to the compensation of government employees.

Mr. MACKENZIE: It is before the house now.

Mr. ILSLEY: The resolution is before the house, but the bill has not been introduced.

The government is therefore prepared to revoke, effective the first day of April, all orders and regulations of the governor in council, with the exceptions I have mentioned. Submission will be made to council promptly to effect such revocation.

I am further prepared to give the undertaking, on behalf of the government, that as soon as the bills to which I have referred receive royal assent, orders and regulations of the governor in council which they replace will be revoked.

It may be that I have been just a little too concise in what I have said. But it may also be that what the government's plans are is perfectly clear. I should like what I have said to stand exactly as I have said it, as the government's undertaking. Perhaps however I might elaborate a little so as to explain what the plan is.

We have before parliament, at various stages, these bills which I have mentioned. We also have a resolution on the order paper which will be used as the basis for another bill, called the Continuation of Transitional Measures Act; and to that bill will be appended, as I have explained to the house before, a number of orders in council, approximately fifty-five in number.

Now, it is not necessary to continue in force any orders in council which derive their validity from the National Emergency Transitional Powers Act, except those orders in council and regulations which are to be appended to the Continuation of Transitional Measures Act, and except the orders in council which are to be replaced by the legislation before the house, namely the list of acts and bills I have mentioned. Therefore the government is prepared to revoke, as of April 1, all orders in council except those I have mentioned. And as soon as the bills I have mentioned receive royal assent, they are also prepared to revoke all orders and regulations which the legislation itself replaces.

I do not know that I need say very much about the necessity for the bill. If we saw any reasonable probability of all this legislation becoming law before March 29, I think we would not ask for this extension. But every one of us knows that it is utterly impossible, in the time that remains before us, between today and March 29, for this legislation to pass its various stages in this house and in the other house, and to receive royal assent.

The matter is so important, and the results would be so disastrous if there were to be an abrupt termination of all these orders and regulations on March 29, that the government has a responsibility to begin—and to begin in time—to see to it that that result does not ensue. That is the reason we are proposing, on this 18th day of March, this address to His Excellency; and a similar address will be introduced in the senate.

I do not think that on this occasion I should outline in any detail the consequences of these orders in council lapsing. However, I might say just in passing that if they do lapse, rent control will disappear; eviction control will disappear; price control will disappear; the supplements to old age pensions now payable under orders in council could no longer be paid, and labour legislation which provides for a system of collective agreements between employers and employees would cease to have any effect. The effect of such an abrupt lapsing of this emergency legislation would be

confusion, if not chaos. My colleagues who are more intimately connected with the various phases of the matter could go into the thing more fully than I am prepared to do at the moment, but I think it is realized, whatever our views may be about controls, that this would be no way to end controls. To those who do not believe in controls at all on principle, the argument I think must be convincing that controls must be abandoned or dropped in a little more orderly way than this would be. To those who believe that there must be some measure of control in some of these fields for some time to come—and that is my belief—the importance of not permitting a lapsing of this control legislation on the twenty-ninth day of March is very great indeed. I am therefore moving the resolution.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, the Minister of Justice (Mr. Ilsley) has gone a long way in accepting the suggestions made during recent months by the leader of the opposition (Mr. Bracken) and those on this side of the house, that statutes such as this which grant extraordinary and emergent powers should be brought to an end at the earliest possible day. I think consideration should be given to the repeal of the War Measures Act, another act in the same position as the National Emergency Transitional Powers Act; for as long as acts such as these stay on the statute book there is a continuing invitation to governments to utilize them and thereby abrogate the powers and prerogatives of parliament.

A lot of legislation has been introduced at this session and I think it has been passed with reasonable dispatch on the part of this parliament. When the minister spoke on February 4 last, as reported on page 82 of *Hansard*, he set out in detail the various bills that were to be introduced by the government to take the place of orders in council. If it had not been for the fact that some other legislation was introduced which was not emergency legislation, such as that dealing with the Chinese exclusion act, in my opinion there would have been no necessity for the minister to ask for any extension of this particular statute.

I think the time has come to put a stop to unnecessary departures from constitutional legislative practice and process. I think this is a step toward the restoration of the sovereignty of parliament over a bureaucracy noted by its multiplicity and even by its anonymities, a bureaucracy which in many cases is still above the law of this country, denied, as the individual is, the right of recourse to the courts against those acts that are done to him individually and which he believes to be unjust. The minister might well continue the step he has taken today and make provision immediately to do away with those portions of the orders in council which deny the individual the right of recourse to the courts when at any time he is treated any differently by order in council or by regulation from others in the same class.

Our experience has shown that when you do not trust the courts, injustice and unfairness is the natural consequence. Now that we are taking this step forward, and a step forward it is, to deny extraordinary powers by way or order in council, I suggest to the Minister of Justice, through you, sir, that now is the time to show that, the emergency having passed, the courts of this country should be trusted to protect the rights of the individual. I am going to ask the minister when he gets the opportunity to take the house into his confidence in regard to whether or not parliament in fact has the power to pass this legislation at all.

At the time the bill was originally passed in the fall of 1945 the doctrine of emergency that had been enunciated in the privy council by Lord Haldane in 1922 and 1923 was still believed to authorize the dominion parliament to entrench upon the legislative jurisdiction of the provinces under the guise or excuse of emergency. Within the last year a decision has been rendered by the privy council in the case of Attorney General for Ontario and the Canadian Temperance Federation. This case arose in connection with the Canada Temperance Act. I should like very much to have the minister explain how it can be justified under the excuse of emergency to pass large portions of the legislation that is being submitted to parliament, indeed the address that is now before parliament. If I understand that authority aright, and it has been interpreted on a number of occasions, not by the courts but by outstanding jurists and writers of jurisprudence, the doctrine of emergency no longer exists, and the excuse for the dominion parliament to entrench upon the legislative ambit of the provincial legislatures under the British North America Act no longer holds.

I intended to ask the minister to do what he has already indicated would be done, namely, to repeal or revoke all orders in council passed under the War Measures Act and continued under the National Emergency Transitional Powers Act as of March 31. That has been done. The other day I had occasion to suggest to the minister that he give us a list of all orders in council that were in effect

at the present time. I did that on March 14, and my remarks and the answer of the minister appear at page 1370 of *Hansard*. At the time it was impossible for the minister—or difficult, he said—to set forth in detail the orders in council that were in effect. Apparently now there is no necessity of having a list of those that are in effect and those that are being repealed, because all will be repealed as of March 31. But I am sure, sir, that I should not be denied the opportunity of saying this, that it was a serious situation that was revealed, that the people of Canada were subject to laws of which the cabinet was unable without great difficulty to set forth a list. We had an experience not so long ago of a secret order in council, and I am going to ask the minister when he replies to advise whether or not there are any other outstanding orders in council which will remain secret or are at present secret.

Mr. ILSLEY: I will say at once that I know of none.

Mr. DIEFENBAKER: The minister says he knows of none. I presume by that he is guarding against the possibility that one might turn up which later on he might locate. I do not know about that. At any event I accept that assurance from him that there are none.

Next, if we pass this transitional bill covering a period of six weeks there is nothing to prevent the government from passing orders in council during that six weeks over and above those comprised as an appendix to the omnibus bill. Section 2 of the National Emergency Transitional Powers Act will still remain in effect, whereby the governor in council may make regulations and orders in council to facilitate the readjustment of industry and commerce, maintain and control and regulate supplies and services, prices, transportation, property, rentals, employment, salaries and wages, and so forth, and assist the relief of suffering and the restoration and distribution of essential supplies and services in any part of His Majesty's dominions or in foreign countries. I therefore think that the minister's declaration should go further and that he should undertake that no orders in council will be passed on and after March 31 under the powers contained in the act in regard to any matter other than those covered by the list of subjects and the orders in council appended to the omnibus bill, except by way of repeal of existent orders. I think too that he should give us the undertaking that in asking for this extraordinary undertaking departmental heads and officials shall be denied the right of passing regulations further and other than those now in effect.

Mr. ILSLEY: You mean taking the price ceiling off? That is what it means.

Mr. DIEFENBAKER: I do not mind dealing with that, but the minister specifically refrained from it and I am simply following him. I am asking for the assurance that parliament shall not go through the motions of denying the right of the government to pass orders in council under the transitional powers act with the government still in the position of being able to pass orders in council by reason of the continuance of the act for a further period of six weeks. In other words I want the assurance that the act will no longer be in effect except in so far as it is necessary to carry out the provisions made by the orders in council printed as an appendix to the omnibus bill. With that assurance, sir, we of the opposition are prepared to give support to the address that has been moved. It will mean that in giving that support parliament would now be making its declaration of supremacy and a declaration on the part of all of us that hereafter except in a very few matters the rule of bureaucracy in this country which continued throughout the period of the war and since will have come to an end.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we are prepared to give support to this resolution. We believe that pending the passage of the omnibus bill it is essential that the government have power to continue controls in the interests of the Canadian people. We all remember the chaos that occurred in the United States about the first of July last year when their controls went out of existence because of the negligence of congress of that great country. The government of the United States at that time was unable to restore in very large measure the conditions that had existed prior to that period of chaos, and we would not be a party to anything that would bring about a similar condition in this country. Those of us who were in the United States last autumn when the president announced the removal of the remaining controls will remember the manner in which prices skyrocketed almost within a few hours of the removal of those controls.

As I listened to the discussion this afternoon and to the points made by the hon. member for Lake Centre (Mr. Diefenbaker) my mind went back to the period following the first great war. I remember how at the close of that war hon. gentlemen who now comprise the government of this country criticized very

bitterly the former administration because it had been necessary to utilize orders in council to do many of the things that must be done following a war of the magnitude of the war of 1914-18, as it had been following the second world war. I have in my desk at the moment one or two acts passed by my hon. friends to my right when they were in power from 1930 to 1935, such as the "blank cheque" legislation, the Natural Products Marketing Act and other acts of that kind giving the government of the day powers to pass orders in council to do many things which in the opinion of many of us should be done only by parliament. But it seems necessary that parliament must at times give authority to the government to do the things which it must do in an emergency.

I approach this question from a different point of view from that taken by the hon. member for Lake Centre. Parliament is sitting now, and I do not think the controls that have been lifted already during the sittings of this session should have been lifted without some discussion in this house. The cost of living has jumped during the last few months, and in my opinion this house should first have had the opportunity of discussing what should be done with regard to the controls which have already been removed.

As to the right of parliament to decide what shall be done, the bill which is to be introduced by the Minister of Justice (Mr. Ilsley) to secure from parliament powers in the fields covered by the omnibus bill is I think now the proper procedure for this house to follow. As far as this group is concerned we are not anxious to see the government destroy those controls which work to the benefit of the Canadian people. Indeed we should like to see some of the controls which have been removed put into effect again to improve the conditions of our people at this time. And so, Mr. Speaker, we are prepared to give the government this extention of six weeks.

It has been suggested that this should not have been necessary had we not been dealing with other legislation which was inconsequential, but the only bill mentioned by the hon. member for Lake Centre as being in the latter category was the Chinese Immigration Act. As I recall it the discussion of that measure took only one day.

Mr. MACKENZIE: That is correct.

Mr. COLDWELL: And if my memory serves me correctly, that day was February 11.

Mr. MACKENZIE: That is correct.

[Mr. Coldwell.]

Mr. COLDWELL: Since then it has not been discussed and it certainly has not delayed the business of this house. It was an attempt, with all its defects, to remove something that never should have been placed upon the statute books of this country.

My hon. friend makes a great deal of the denial of the right of the citizen to bring an action against the crown. That has not been the result of anything which the C.C.F. group has done in Canada.

Mr. DIEFENBAKER: May I just interrupt my hon. friend to say that he has not interpreted correctly what I was saying, which was as to the right of the individual to have recourse to the courts being affected by an order.

Mr. COLDWELL: I was thinking of what the hon. gentleman had to say the other evening when he did raise that question. So far as I know, only one government in this country has granted by statute the right to bring an action against the crown, and that is the C.C.F. government of Saskatchewan. Under clause 3 of the Crown Corporations Act of that province, a crown company can sue or be sued. I just wanted to mention that because this question has been raised two or three times in the house.

May I say that we are in favour of giving to the government the extension of power for which they have asked. May I add that if things move slowly through this house and it is necessary to extend the time beyond May 15, we shall be prepared to assist in granting that extension.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, we are pleased to see the government take this step, which we consider a step forward, to relinquish some of the unusual and extraordinary powers which they felt they should have to meet the emergency situation brought on by the war. We should like to see the government take steps as soon as it is possible in the interests of the Canadian people to relinquish more of these powers and to restore to parliament its full sovereignty. We are prepared to support the resolution to extend the National Emergency Transitional Powers Act for a period of six weeks. We hope that in that period we shall be able to make sufficient progress to make it unnecessary for the government to ask for any further extension. We shall honour our commitment to assist in every possible way to get these bills through so that there will not be any necessity for asking for that extra extension.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, the necessity for this resolution is apparent to all of us,

and as my leader has already indicated, we in this group are in support of the resolution. I rise to draw attention to one point which I should like to impress upon the government. My fear is that this resolution, combined with the omnibus bill which is to be brought in later, could be the basis for delaying indefinitely, or at least for another year, the promised amendments to the Old Age Pensions Act. My purpose in rising is to express the hope that such will not be the case. The minister in his opening remarks has already said that this is one of the matters to be covered by this resolution and subsequently by the omnibus bill. We support him in that whole-heartedly. It would be unthinkable that any parliament, by failing to pass this resolution, should let the old age pension drop back from $25 to $20 a month. But I want to make the point that that is not good enough. The government should bring in, as an emergency measure right away, whatever amendment it proposes to make to the Old Age Pensions Act. When questions were asked about this act—

Mr. SPEAKER: Order. The hon. gentleman should not use this resolution as a pretext to discuss old age pensions.

Mr. KNOWLES: Mr. Speaker, like the Minister of Justice (Mr. Ilsley) I am referring to old age pensions only so far as this resolution deals with the matter. If you will recall the remarks make by the Minister of Justice, he said that this resolution has to do with orders in council covered by a long list of acts which this house is now dealing with, plus the orders in council which are a schedule to the omnibus bill. There are fifty-five or more of them. He specifically named old age pensions. My point is that when I asked the government a few weeks ago about this matter, the answer was that the subject of old age pensions is under discussion with the provinces, and that was given as the reason why it could not be expected that the matter would be dealt with in this house at the present time. I submit if that is the reason why it cannot be dealt with before March 31, that can go on being the reason for the entire life not only of this resolution but of the omnibus bill.

I call upon the government to realize that in the meantime the old people are suffering. The government has the power now, between now and March 31—even if it were to give to the hon. member for Lake Centre (Mr. Diefenbaker) an undertaking not to pass new orders in council after that date—to amend order in council P.C. 6367 of August 10, 1943, and raise the amount of the old age pension. This order in council included in this schedule is different from other orders in council in this document. The others, whether I agree or not, are for the most part orders which are on the way out, orders which hon. members to my right at any rate wish to get rid of. But so far as the old age pension order in council is concerned, no one suggests that it is on the way out. We hope it is on the way up. If the government's reply is that they can do better later when they get an agreement with the provinces, well and good. But let us not wait until that maximum of $50 a month, shall we say, is attainable. Let us have an act or order in council right now improving the position of old age pensioners, in order to avoid suffering even for another month. That is my whole plea. I ask that this necessary resolution be not used as a basis for delay.

Mr. ILSLEY: Just in the interests of clearness, may I say that there are two other classes of orders in council in the same category as the old age pension orders in council. There is the one relating to the veterans' preference in the civil service, and the one relating to labour relations. The whole three classes of subject matter are to be dealt with by legislation later in the session.

Mr. KNOWLES: The minister is perfectly right in referring to those other two; and I will say in support of him that those and the old age pensions order are the three which he named when he first spoke on this matter on February 10. I would support him wholeheartedly if he would treat all three as emergency matters and bring in now legislation relating to them rather than using this as a basis for interminable delay.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the house is being asked for authority for the extension of the National Emergency Transitional Powers Act of 1945 as amended in 1946. I contend that the enforcement of the orders in council should be a responsibility of the government of Canada instead of being left to the municipalities. By the time parliament deals effectively with this whole control matter the war will have been over for more than two years, and in the meantime all business is being hamstrung. Business men do not know what orders in council have been passed that are still not repealed. I know this because I have received letters from magistrates and other persons from which I gather that people have been fined under certain orders in council, and when I have looked them up, having gone to a great deal of trouble to search the records, I find that some of those particular orders under which people were convicted had

expired or had been repealed. The list of those still in effect should be published.

No business man can conduct his business satisfactorily today. The small business man is complaining of the handicap he is under through some of these irksome controls. It is all very well for certain hon. members to applaud and to support this legislation, but I can assure them that in the city of Toronto a large section of the police force is engaged in the enforcement of over 100,000 of these orders in council that should have expired right after the war was over. Take the housing situation. The summer will be gone before anything effective can be done by this parliament to aid it and remove some controls. The government has dilly-dallied with this question right along and it will not be before May 15, or four months after the first meeting of parliament, that we shall be able to deal with it. We might as well grant an extension to the end of the year of the whole act of 1945 as amended in 1946.

In the United States they got rid of their controls as quickly as they could. It is true that prices rose considerably for a short time, but they fell by the law of supply and demand when it was found that people were not buying the goods at the prices that were being charged. I do not see why these controls should be extended and played with by bureaucrats as they are in this country. As a member of parliament, I do not know what orders in council are still unrepealed, nor does the public know. I am sure the people do not want this legislation and a wide spread control system continued indefinitely. It leaves the administration and enforcement of these controls to the municipalities and is putting a burden on the taxpayers. Building inspectors, architects and others engaged in that line cannot get on with their work because they do not know what the law is under all these various controls that have been set up. I would not object to a reasonable extension if an effort was made to eliminate them, but I hope that between now and May 15 all the unrepealed orders in council will be tabled.

Mr. JOHN BRACKEN (Leader of the Opposition): Before the minister rises to reply may I make one observation and ask one question. It has to do with the omnibus bill. The proposed schedule to that bill is before us. The house will know, and the minister will know, that the member for Lake Centre (Mr. Diefenbaker) said that this resolution would have the general support of this party, but he asked one assurance, namely, that no orders in council be passed during the extension

period on matters other than those in the uncompleted legislation we have before us. The minister has indicated that he will likely give that assurance.

There is one other point. The minister has not yet introduced the omnibus bill. He has made no statement with respect to it. I think the house would appreciate having that bill before us before Easter. I hope the minister will give an affirmative answer to the suggestion that he introduce the bill and make a statement with respect to it before the Easter recess.

Mr. ILSLEY: Mr. Speaker—

Mr. SPEAKER: I have to advise the house that if the minister speaks now he will close the debate.

Right Hon. J. L. ILSLEY (Minister of Justice): With regard to the first request, made in the first instance by the member for Lake Centre and later by the leader of the opposition, the government is quite prepared to give an undertaking that no orders in council will be passed under the National Emergency Transitional Powers Act relating to any matters other than those dealt with by the orders and regulations of the governor in council which are being continued. I do not mean merely the ones in the schedule to the act, but the orders and regulations of the governor in council which deal with matters that are dealt with by the other bills, a list of which I have read as well.

Mr. KNOWLES: But you may amend some of those.

Mr. ILSLEY: Yes. It must be remembered that if we do pass any orders in council under the National Emergency Transitional Powers Act in that field we must table them within fifteen days and they may be dealt with by parliament. But I am prepared to give an undertaking to stay in that field.

To make myself technically correct, I should say that it will be necessary to continue, not to revoke, the orders in council relating to the appointment and remuneration of persons in connection with the administration of those orders to which I have referred. That will be dealt with in the bill that will be placed before the house. It is a small matter, and I mention it only to keep myself technically correct.

Mr. MacINNIS: You are not concerned about being correct, apart from the technicality.

Mr. ILSLEY: The other question was with regard to the omnibus bill. I shall introduce the resolution. I am prepared to do so at any

appropriate time and make an explanation in broad terms of the legislation that is to be based upon that resolution. If the resolution goes through I am prepared to introduce the bill itself, and will do that before the Easter recess.

At the moment I am not prepared to deal at all competently with this constitutional point. I do not understand that the emergency doctrine was abrogated by a decision of the privy council. If it has been varied, it has been in the direction of the extension of the powers of the dominion rather than a limitation, by the Canada Temperance Act case. I can go into that matter fully when I introduce the legislation on the continuation of the transitional measures bill.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? Carried.

Some hon. MEMBERS: No.

Mr. CAOUETTE: Mr. Speaker—

Mr. SPEAKER: Order. Before the minister spoke I told the house he would close the debate.

Some hon. MEMBERS: On division.

Mr. SPEAKER: I declared the motion carried on division.

Some hon. MEMBERS: No.

Mr. SPEAKER: I shall put the question. Is it the pleasure of the house to adopt the motion? Carried.

Some hon. MEMBERS: No.

Some hon. MEMBERS: On division.

Mr. SPEAKER: Orders of the day.

Mr. MACKENZIE KING: Mr. Speaker, it seemed to me I heard several voices say "No." In the circumstances the government would like to have a division on this.

Mr. SPEAKER: Call in the members.

Some hon. MEMBERS: Carried.

Mr. FRASER: Mr. Speaker, the motion was carried. I don't see how you can call in the members.

The house divided on the motion (Mr. Ilsley) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Adamson
Archibald
Argue
Arsenault
Ashby
Baker
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Cumberland)
Blackmore
Blair
Blanchette
Boivin
Bonnier
Boucher
Bourget
Bowerman
Bracken
Bradette
Breithaupt
Bridges
Brooks
Brown
Brunelle
Bryce
Burton
Campbell
Case
Casselman
Castleden
Charlton
Chevrier
Claxton
Cleaver
Cloutier
Coldwell
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Diefenbaker
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Emmerson
Eudes
Farquhar
Ferguson
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulton
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Graydon
Hackett
Hallé
Hansell
Harkness
Harris (Danforth)
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Héon
Herridge
Hlynka
Hodgson
Howe
Ilsley
Irvine
Jackman
Jaenicke
Johnston
Jutras
Kidd
King, Mackenzie
Kirk
Knight
Knowles
Kuhl
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Leger
Lesage
Low
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
McDonald (Parry Sound)
Macdonnell (Muskoka-Ontario)
McGarry
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean
McLure
McMaster
MacNaught
MacNicol
Maloney
Marquis
Marshall
Martin
Matthews (Brandon)
Mayhew
Menary
Merritt
Michaud
Miller
Mitchell
Mullins
Murphy
Mutch
Nicholson
Pearkes
Pinard
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Ross (Hamilton East)
Ross (St. Paul's)
Ross (Souris)
Rowe
St. Laurent
Senn
Shaw
Sinclair (Ontario)
Sinnott

Smith (Calgary West)	Tustin
Smith (York North)	Warren
Stewart (Winnipeg North)	Webb
Stuart (Charlotte)	Weir
Stokes	White (Middlesex East)
Timmins	Whitman
Townley-Smith	Winkler
Tremblay	Winters
Tucker	Wylie
	Zaplitny—177.

NAYS

Messrs:

Caouette	LaCroix
Church	Lockhart
Cockeram	Pouliot
Dorion	Power
Fraser	Skey
Gagnon	White (Hastings-Peterborough)—13.
Lacombe	

Mr. MACDONALD (Brantford City): I was paired. Had I voted I would have voted for the resolution.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted I would have voted in favour of the resolution.

PRIVILEGE

MR. LOCKHART—MR. GRAYDON—PROCEDURE ON EMERGENCY POWERS RESOLUTION

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, I rise either on a question of privilege or a point of order. A few minutes ago you declared this resolution carried. One minute afterward you called the orders of the day. Then for some strange reason, to suit the whims and fancies of a few, you asked—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I would ask the hon. member to resume his seat.

Mr. LOCKHART: On a question of privilege—

Mr. SPEAKER: I ask the hon. member to resume his seat. When the Speaker saw over twenty members rise in their places to ask for a recorded vote I believe it was the duty of the Speaker to call in the members in order to have a recorded vote.

Mr. FRASER: I protested before they stood up.

Mr. LOCKHART: What I am asking is this: The resolution having been declared carried by you, and the orders of the day having been called, on what authority or under what rule of the house—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I will not permit the hon. member to discuss the conduct of the Speaker.

Mr. GORDON GRAYDON (Peel): I desire to raise a question of privilege. I submit with great deference that this house should not, without the unanimous consent of the house, revert to other items of business that have already been decided upon and passed. I would have raised this question prior to the vote being taken except that some people might have regarded it as a move whereby this group was opposed to the resolution, which we are not. I raise the question now and say that I do not think the Prime Minister's influence in this house should be any greater than that of any other member.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: Order. I would ask the hon. member to resume his seat. I repeat that over twenty members rose, and according to the standing order it is the duty of the Speaker to call in the members. Moreover, as nobody protested at the time, I think—

An hon. MEMBER: They did.

Mr. FRASER: I protested.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order. I would ask the house to proceed with its business. Orders of the day.

NAILS

QUESTIONS AS TO AVAILABILITY IN PETERBOROUGH AND NANAIMO

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker—

An hon. MEMBER: Sit down.

Mr. FRASER: Mr. Speaker, I know quite well that I do not have to sit down for any hon. member in that corner of the house.

An hon. MEMBER: Stand up.

Mr. FRASER: I should like to ask the Minister of Reconstruction and Supply a question based on many wires and letters which I have received.

Mr. SPEAKER: Order. I would ask hon. members to preserve more decorum in the chamber.

Mr. FRASER: I should like to ask the minister of reconstruction a question based on letters, telegrams and long distance calls I have had from my riding. The minister made

the statement on March 4 that he had not heard of any shortage of nails during the past two months. My question is this: hardware stores, contractors and carpenters in my riding—

Mr. SPEAKER: I would ask the hon. member to make his question brief and to the point.

Mr. FRASER: Carpenters have not been able to get nails. I should like to ask the minister where they can get a few kegs of nails, because there are none in the Peterborough district.

An hon. MEMBER: In the hardware store.

Mr. FRASER: There are none in the hardware stores.

Mr. SPEAKER: If hon. members are anxious to put questions they must be anxious to get the answers. I would ask them to moderate their voices.

Mr. FRASER: Where can they get any nails?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): In response to a complaint about the shortage of nails in the Toronto district made in this house some two weeks ago I made inquiries and found that there was a stock of 5,000 kegs of aluminum nails in the warehouses. These were not selling well, although it is admitted that the aluminum nail is as good as the steel nail, and perhaps better for some purposes.

An hon. MEMBER: Oh, no.

Mr. HOWE: If my hon. friend will write the Aluminum Company of Canada I can assure him that he will get as many aluminum nails as he wishes to buy.

Mr. FRASER: A four inch aluminum nail is no good.

Mr. HOWE: My hon. friend did not specify a four inch nail. I am speaking of two inch and two and a half inch nails.

Mr. FRASER: You cannot put up studs without four inch nails.

Mr. HOWE: I am trying to give my hon. friend some information.

Mr. FRASER: I will keep quiet.

Mr. HOWE: The production of nails is high as compared with any previous year. Hon. members are well aware that during the steel strike stocks of nails became exhausted, and at present all pipe lines have not been filled up. I realize that Peterborough may be pretty well out on the pipe line; nevertheless I can assure my hon. friend that there is no real reason why any builder, for priority construction particularly, should have any trouble in getting nails. If my hon. friend refers to so-called non-essential building which hon. members opposite say should be stopped, then I am not particularly worried about whether nails can be had or not. But for any priority work, or for any essential purpose, nails are now available.

Mr. FRASER: These are veterans' homes.

Mr. G. R. PEARKES (Nanaimo): May I ask a supplementary question, based on two wires from Nanaimo saying that the building of houses has been stopped because no nails can be bought in Nanaimo? Can the minister do anything to assure a reasonable supply?

Mr. HOWE: I am informed that between 600 and 700 tons of rod per month are being shipped to Morrison Steel and Wire Company, Vancouver, for the manufacture of wire nails. This is fifty per cent above the shipments from eastern mills to Morrison in normal times. British Columbia is getting a greater percentage of the total nail production, compared with normal times, than any other province. I know that there can be no real shortage in that area.

FLAX

PRICES RECEIVED BY ONTARIO GROWERS IN 1946

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, yesterday on the orders of the day the hon. member for Wellington North (Mr. Menary) asked for some information with regard to the price of flax in his district. For the crop year 1946-47 the price of flaxseed is $3.25 per bushel No. 1 Canada eastern flaxseed basis in store Montreal. The flax producer delivering the top grade of flax in Toronto would receive $3.25 per bushel less a handling charge of five cents per bushel and less freight charges of 24 cents per 100 pounds Toronto-Montreal or a net price of $3.06½ per bushel. The Hanover-Montreal rate is 27 cents per 100 pounds. Lower net prices are accounted for in the grade spreads for grades of flaxseed lower than No. 1 Canada eastern flaxseed and also discounts for tough and damp flaxseed.

POSTAL SERVICE

REGULATIONS GOVERNING MAIL DISTRIBUTION AT WICKETS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I rise on a question of privilege, not that I have any particular brief

for the gentleman mentioned, not even on March 17. I quote from an item in the Ottawa *Journal* of March 17—and I think I am in order, Mr. Speaker, because this is a matter that affects everybody:

> Late this afternoon there was no trace of Mr. Sullivan nor his family around Chelsea.
>
> "It was five o'clock in the afternoon," related Mrs. Jeanne Bambrick, postmistress at Chelsea, when a little girl came around and asked for the Sullivans' mail. I gave it to her and she walked back down the road to deliver it."

Chelsea, I understand, is in this district. I would ask the Postmaster General, has any postmistress any authority to relate anything about anybody's mail, even Pat Sullivan's, or to say to whom it was given or when?

Hon. ERNEST BERTRAND (Postmaster General): Mr. Speaker, the question was pretty long and I should like to see it in *Hansard* before answering. I did not hear it clearly.

Mr. MacNICOL: Read it in *Hansard* tomorrow.

Mr. CRUICKSHANK: I will take good care that I do.

NATIONAL DEFENCE

SERVICE ESTATES—CONCURRENCE IN SENATE AMENDMENT

Hon. BROOKE CLAXTON (Minister of National Defence) moved the second reading of and concurrence in an amendment made by the senate to Bill No. 19, to amend the Department of National Defence Act.

Mr. FULTON: Will the minister explain the amendment?

Mr. CLAXTON: Mr. Speaker, section 2 of Bill 19 as passed by the house would facilitate the administration of service estates of members of the armed forces who die during their service as such members. When the bill came before the senate it was found that two or three, certainly a very small number of members of the armed forces, had died while they were in veterans' affairs hospitals and before what would have comprised their service estates could be paid to them during their lifetime. It is possible that such a case may occur again, that a member of the naval, military or air forces of Canada may be discharged, undergo treatment under Veterans Affairs and die before what would constitute his service estate is paid to him during his lifetime. It is to cover this possibility that the amendment is introduced.

Mr. FULTON: Is the amendment acceptable to the minister and the officials?

[Mr. Cruickshank.]

Mr. CLAXTON: Yes. The amendment is to insert in line 30 on page 1 of the bill, after the word "or", the words "of former members". The amendment was suggested by the law officers of the crown and was acceptable to the members of the other place and to the department.

Motion agreed to; amendment read the second time and concurred in.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS

The house resumed from Monday, March 17, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 25, to provide for the sale and export of agricultural products.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, this is a bill which I have read with great care. We have been told so often that the ideal of the Liberal party was to give the private individual a chance that I am greatly surprised at this kind of legislation being sponsored, not by Mr. John Strachey in England but by a Liberal government. I cannot conceive how a Liberal government would sponsor such legislation.

If what has been said about assistance to other countries of Europe is true, I would draw the attention of the minister to the first line of the preamble, where he will see that, whether inadvertently or not, the United Kingdom is not mentioned among the countries which were and still remain in grave distress for want of adequate food supplies. The question is not that of assistance to any other country, the United Kingdom, France or any other country. The question is whether this is a true democracy, whether we have private initiative any longer in this country, or have we a planned economy for good? We are told: Oh, this is only for a year—we will change it next year. How many times were we told during the war: This measure is only for the time of the war, and as soon as the war is over we will go back to normal. How many times did I tell the then leader of the opposition that he was wrong in that, that it was the duty of members of parliament to act as a brake to prevent this country from falling into ruins; and he said: Well, I am patriotic and I close my eyes during the war, but after the war we will see to it. The war has been over now for two years and still this thing is going on.

After all the denunciation we have heard of controls from all corners of the house I was surprised to see only thirteen members rise a moment ago to express their dissatisfaction with the continuance of controls. They speak one way and vote the other way. The members who are logical and have the courage to stand by their guns are very few in this house, and that is why parliament is falling into discredit in this country. It is because the actions of members of parliament are different from their public speeches. I want the Minister of Agriculture to understand very well that I am not discussing his case particularly. I am not discussing the case of the Right Hon. James Gardiner, Minister of Agriculture in the King government. I intend to discuss the case of any minister of agriculture. He will have control of all agricultural produce in this country except wheat, which is something formidable. He will have control even of the feed of animals. Did you ever think of that? I wonder how many members of parliament have read this legislation contained in Bill No. 25, establishing a special case, something that no one would have dreamed of in this country. Under it the Minister of Agriculture is being authorized by parliament to pass certain regulations and is being given by parliament more powers than any minister of agriculture ever had in any country.

Naturally the Minister of Agriculture will choose his own advisers. He will have power to buy and sell the agricultural produce of this country. He will have the right to establish boards, and he will have the right to tell every farmer in this country: "You will produce such and such agricultural product. You will sell it to me. If you do not sell it to me, you may be found guilty of an offence and sentenced to a fine or to jail, or to both." With the approval of the attorney general of Canada, who is the Minister of Justice (Mr. Ilsley), and the attorneys general of the provinces, the fine may go up to $5,000 and the imprisonment to two years. The man who will not obey the order of the Minister of Agriculture may be sentenced to two years in jail and to pay a fine amounting to $5,000 as the maximum; because that man will not have obeyed the Minister of Agriculture, he will be found guilty. As a Liberal I cannot approve that.

We are supposed to pass legislation. I want legislation passed by this parliament—meaning passed through all stages in the House of Commons, the Senate and having the sanction of the Governor General—establishing what an offence is. That is the way it is done in the criminal code. Who ever gave a blank cheque to anyone regarding the imposition of fines and imprisonment in this country? Where is the civil liberties league? We do not hear of them when we need them. We must do the work of the so-called civil liberties league. They are in existence only to defend rascals who have been traitors to this country.

Coming back to the bill, may I say that no farmer will approve it when it is explained properly to him. No farmer will say this bill is all right if he has an opportunity to read it. I know the farmers. I live among them. They abide by the law but they want sensible laws. They want laws which appeal to their sense of justice. They do not want to receive orders from anyone. They will not understand why such immense powers have given to one man, however worthy he is of the confidence of his fellow citizens. Even if the Minister of Agriculture deserved the confidence of the whole house—and it is possible that he has it—he may die tomorrow, and his successor as minister of agriculture will have the very same powers, powers undreamed of by any Canadian public man. This is going to be done as a matter of course.

Yesterday excellent speeches were made by some of our colleagues who explained their points of view. Those who were in favour of the bill spoke very well too, but they did not convince me. It is said in the bill:

. . . it is necessary by reason of the existing national emergency that parliament—

That is all of us.

—confer authority to enable the government of Canada to fulfil its obligations.

In the dark, outside of parliament, the government of Canada has assumed tremendous obligations to other countries; and now we are called upon to give our sanction or approval to all that. How is it that none of those agreements are published as an appendix to this bill? Some explanation may be given occasionally about it. We do not know what it is all about, and when we ask for some information we get it drop by drop. We have to fight for the information. It cannot be given properly because everything has been done in the dark. We have complained bitterly time and time again that parliament has been informed only after the thing has been done. We were informed of the accomplished fact. Parliament has never been consulted about the emergency—and I use the word which is used here—of passing such agreements with all other nations. And we are crazy enough to call it trade. It is the Santa Claus trade, with respect to food which is not paid for. When the words "sell and buy" are used in this bill, it is only an optical

illusion. The minister will sell and buy nothing, in the legal sense of the word, but he will give away our birthright to other nations, because what will be given away by him will never be paid for by the other nations. It will be paid by the taxpayers of Canada; it will be paid by the farmers as well as by the labour men; it will be paid by the man in the street as well as by the millionaire. And now the minister is asking to be empowered with the authority to give away our birthright to all other countries, while there are people in this country who are badly in need of what he will give away.

I am strongly opposed to this. More than that, I take it quite seriously, and if I rise today I do so as a matter of duty. I do not rise for the pleasure of making a speech. When I make a speech it bores me as much as it does those who may listen to me. But I have a duty to fulfil, and I want to act in accordance with the solemn promise I gave my electors twenty odd years ago when I was elected. I told them that I would come here as a bulldog, one of the watchdogs of the treasury. That was a nickname that was given to me then and I never thought that one day I would be proud of it, as I am today.

Take the second section of the bill. All agricultural products except wheat—and even feeds are included in agricultural products—will be covered. The Minister of Agriculture is the one man who will deal with the agricultural reserve and agricultural production of the Canadian farmer. That must be well understood. What will he do? Subject to the reservation I have just made about the illusion of purchase and sale, there will be orders in council in virtue of which the minister may, first, sell or export agricultural products to the government of any country or any agency thereof, and, second, pursuant to agreements made by the government of Canada with the government of any such country or agency thereof, purchase or negotiate contracts for the purchase of agricultural products. This is a note I have made to make easier the understanding of the bill.

Not only is the minister empowered to buy according to the orders in council passed by this government, and also to sell accordingly, but there is a subsection which would not stand in any court. It is that we will empower the minister to purchase on behalf of the government of any country or any agency thereof—most incredible! Think of that, sir! Not only will the minister act on behalf of this country, but we empower him to act on behalf of other countries. What other countries? And what would he do? Third, by order, he may require any person to give such information respecting his facilities for the storing or processing of agricultural products, and at such times, as the minister may designate in such order, and then enter into contracts for the storing or processing of agricultural products. That will be found in section 3 (c) and (d). This I find most despotic.

How is it that members of parliament who have denounced bureaucracy approve the following sections?

Mr. DEPUTY SPEAKER: Order. I have not interrupted the hon. member, but may I draw his attention to the fact that on second reading it is not permissible to discuss the sections of the bill but only the principle.

Mr. POULIOT: Well, sir, there are several principles involved in each section. However, I will demonstrate it to you. In the first place, I am opposed to this bill because it is a socialistic measure and I shall be unable to face my constituents and call myself a Liberal if I support this measure. They will tell me, "You are a member of the C.C.F.; you are a socialist; you are more socialist than the hon. member for Rosetown-Biggar." That is why the hon. gentleman was so anxious to have a division yesterday, and to his great surprise some members voted against the bill on second reading—I mean the amendment. I beg your pardon, sir. Sometimes I make a slip, but too many thoughts come to my head.

Considering the principle, I am against socialism because I am for the right of the individual to try his luck in life, in the struggle for life. In my view it is the only reasonable chance that a man deserving to be called a man has to win success in life. That is the first point.

I am against a planned economy; I am against control. That is why I was one of the thirteen who voted against the so-called address presented by the Minister of Justice a moment ago. I am not only a Liberal; I am for the liberty of the individual. I am for the liberty of the individual to engage in trade and make a success of his business and contribute thereby to the prosperity of the state. That is my understanding of the whole problem.

That is principle No. 1, and the opposite is the planned economy sponsored by my hon. friends the socialists. When I say "socialists" I do not mean all the members of the C.C.F. group, because some of them are Liberals at heart.

Mr. COLDWELL: With a small "l".

Mr. POULIOT: Well, that is something; and even if they are acknowledged by their chief it means they are bold enough to speak in caucus, which shows that they are sincere Liberals.

Mr. MACDONNELL (Muskoka-Ontario): Some of the Liberals are liberal at heart.

Mr. POULIOT: I do not agree with the philosophy of my hon. friends because it is undermining our parliamentary institutions and substituting for them an all-powerful, all-ignorant bureaucracy. That is the idea of technocracy; it means the superiority of the man who is not responsible to the people over the man who is the shock-absorber for all the policies of the government. It means that those gentlemen who come with their mortar-boards are supposed to tell the farmer what he needs. They say, "You will have to grow turnips this year." But there may be a feud between them; one may say, "No, you will grow carrots", while the other may say, "You will grow onions." They will be all mixed up. Why not let the farmers decide what they want to do in order to make a success of farming in this country? But no; we have these fellows with mortar boards who will teach everyone how to manage with the plough and the other agricultural implements. And my hon. friend does it for their good. He taught school for a time, and everything he said to the children, as with all school teachers and professors, was "for your good, my boy. Do it for your good."

Mr. COLDWELL: Not always.

Mr. POULIOT: I hope not. The very best way to promote the welfare of our farmers is to leave them alone and give them a chance to cultivate their farms and sell their products as they see fit.

That is one thing. Not only will the minister be the omnipotent master of all agricultural produce, but we give him the right to establish one or more commodity boards. How many there will be we do not know. He may authorize and require them to exercise and perform all or any of the powers and duties he is given under the previous section, with reference to such agricultural products as he may designate. Well, sir, that is formidable. Here again we have a delegation of power. We give the minister certain powers to establish boards, and then we will confer power upon those boards which are not now in existence. We assume the responsibility for all those unborn babies of the Minister of Agriculture. If they do something wrong and a member complains about it he will be told, "Well, on March 18, 1947, you voted for it, and you cannot complain now."

These are not the only institutions the minister may establish. He will have more than that. He will also have advisory committees, which he will select himself. There he will have these geniuses that the socialists are so fond of finding in large numbers in the civil service. It will be Pelion on Ossa, mountain upon mountain. There will be a mountain of agricultural products which will serve as a pedestal for the Minister of Agriculture. He will be on top of that mountain; and the number of bureaucrats making up the boards will have to be so great as to make a mountain just as high as the one on which the minister sits, in order that they may be in a position to confer with him about what they think the farmer needs. Not only that, Mr. Speaker, but the minister will dispense with the merit system and the civil service commission, and choose his own men. That is in section 7. This is another principle in which I am interested. If ministers are to be empowered to do away with the civil service commission, why leave the commission there at all? It would be just as well to abolish the commission. Either the civil service commission is useful or it is not. If it is useful the minister cannot ask the house for the privilege of appointing whomever he pleases on the boards and committees. If the civil service commission is worth something, then this bill is bad, and if this bill is bad—

Mr. GARDINER: On a point of order, Mr. Speaker, I do not mind an hon. member who does not know the rules, or does not pretend to lecture the rest of us, breaking the rules continuously, but the hon. member for Temiscouata (Mr. Pouliot) is breaking one very simple rule that he knows as well as any other hon. member. I refer to "Beauchesne", second edition, page 218, citation 759:

> On the motion for the second reading, it is out of order to discuss the clauses *seriatim*.

The hon. member has discussed them all up to clause 7. I submit that he is entirely out of order and ought to be called to order.

Mr. POULIOT: I will tell the minister to keep quiet and not get excited about it.

Mr. GARDINER: I am not excited; I just want to keep order.

Mr. POULIOT: If one does not know the rule I will not say anything; I shall name no one, and will be most indulgent. How can we discuss a bill, sir, without referring to it? I cannot speak of the man in the moon; if I do so you will say I am out of order because

I am not discussing a relevant matter. It reminds me of what I said one day when I complained of the promise of a million jobs which had been made by two ministers who are here today. I was called a demagogue because I referred to it. I believe the time has come when members of parliament should enjoy a certain degree of freedom. My discussion is not intended to be unpleasant to the minister or any other hon. member. I desire to discuss my views with all sincerity, to try to inform hon. members and have them read the very bill now before us. I want members of parliament to realize their full responsibility, because the minister has signed those absurd agreements with the United Kingdom giving away our birthright, not even for a mess of pottage but for nothing at all; and it is because he has given away our birthright that we must now salute profoundly and say, "O.K., U.K."

Mr. GARDINER: Say what you like but stay within the rules.

Mr. POULIOT: I tell the minister not to get excited. I may be very cruel at times, though I am not cruel now. I tell him that I was in this house before he was, that I was never defeated in Saskatchewan, and that I know my onions though I am not a farmer.

Mr. GARDINER: I was never defeated in Saskatchewan, either.

Mr. POULIOT: I did not say the minister was. I know, sir, how to choose my words and my expressions so as to remain in order all the time.

Now, sir, I have something here most interesting about Mr. Strachey, dear Mr. Strachey. I saw him, and I have some old clippings about him which I found in my files. According to one of these clippings, in this country which is fighting communism, some years ago this man said that he was not a communist but that he had communistic leanings. You know, sir, I have great admiration for my younger colleagues and especially for the hon. member for Eglinton (Mr. Fleming). The other day he defended and vindicated the honour of this parliament. He said something very proper in respect of a speech which was made by Mr. Strachey in the west, and which was quoted by my hon. friend.

Mr. GARDINER: You are out of order again, in quoting from a previous debate.

Mr. POULIOT: No; we cannot quote *verbatim* from a previous debate but, according to the rules, we may refer to it.

Not a very long time ago, when Mr. Bennett was in power, he had two great advisers. He had John Strachey, who was deported from the United States as an undesirable, and also Trebistch Lincoln, who was a Hungarian Jew, a Presbyterian minister, a member of the Anglican clergy, a suspected spy and a murderer. Those two were his favorite advisers. I regret very much that the British government has decided to send Mr. Strachey on a mission to Canada. That is another reason I am opposed to the agreement signed by the minister. I would not have anything to do with Mr. Strachey.

In addition to that, the hon. member with the Scottish brogue (Mr. Bryce), who spoke last night about the Conservative member of parliament in Great Britain who made the statement that the farmers of Canada were trying to fleece the United Kingdom, did a very good job because he also defended the honour of this country.

The question is not one of sending agricultural products to any other country for re-export, for the benefit of traders over there, whoever they may be, under the false pretence of saying that it is done to alleviate the misery of the people. No. The point is that we must first look after our own people, and begin again to have real trade, trade under which exports are paid for, not by the taxpayers, but by the purchasers. If we cannot have trade of that kind, let us have barter.

I tell you, sir—and these are my concluding words—that the time is coming when we shall have two parties in this country. One will be an all-Canadian party, composed of people born either in this country or outside it—and that is of no importance. It will be composed of people who consider Canada as their paramount country, who consider Canada before any country of the world. On the other hand, we shall have a party composed of colonials, imperialists, Witnesses of Jehovah and members of the Ku Klux Klan—all the bums, and all the people who think differently and who are not bums, put together. The fight will be between Canadians and non-Canadians. And, judging by the feeling of the people, I am sure the Canadians will win. This is why I am opposing this kind of legislation, which is against the interests of our own country.

Hon. W. EARL ROWE (Dufferin-Simcoe): Mr. Speaker, I have listened with keen interest to the hon. member for Temiscouata (Mr. Pouliot). I realize he needs no lessons with respect to the rules of procedure, because he has sat in the house for a long time, and comes of a family with wide parliamentary experience. It is many years since I first

listened to the hon. member in the House of Commons. But I can say to him now, sir, that this is the first time I have found myself in agreement with much of what he has said.

The main principles to which the hon. member referred—and the Minister of Agriculture (Mr. Gardiner) seemed to think the hon. member was referring to certain sections in the bill—are fundamental, and are seriously affected by the proposed legislation. I cannot agree with everything the hon. member said; indeed, some of his observations were not exactly relevant. I did not meet the two gentlemen to whom he referred as having been the advisers of the Right Hon. Mr. Bennett, when he was Prime Minister. That, however, is beside the point.

I feel that hon. members in this party ought not to be misunderstood either by Your Honour or by the Minister of Agriculture in respect of their attitude toward this marketing legislation. I believe that there is a great shortage of food, and that at the present time hunger exists in certain parts of Great Britain. There can be no doubt as to her need. Nor has anyone any serious doubt so far as Canada's obligation, if we may so describe it, is concerned. Whether we belong to the British commonwealth of nations or not, when the country which has taken so much of our products for so many years is in short supply, it is only prudent or sound business practice for us to endeavour to supply her with all the food we can possibly produce. Great Britain has been our greatest outlet for at least half a century. I believe there is no one in the house and perhaps but few in the country who do not appreciate the sacrifices Great Britain made during the war to save civilization. No member of the allied nations sacrificed so much during the war, and no member has suffered so much following it. Therefore I believe we might consider our part as that of a continuing ally in this post-war period.

Matters connected with trade have long since been the responsibility of the Department of Trade and Commerce. Yet we see that this bill is introduced by the Minister of Agriculture. I should have expected the Minister of Trade and Commerce (Mr. MacKinnon) would have been its real father. The fact is, however, that it is presented—one might say mothered—by the Minister of Agriculture.

We observe that it is to be effective for only a year. I do not know who will take the child at the end of that time. However, if hon. members to my left would care to adopt it I feel they would not want to change its manners very much. It will have been trained along the lines they approve, where every line of industry in the country would be strait-jacketed.

I do not believe the principle involved in this bill, whereby control is left in the hands of the minister, and through which he continues to make agreements, fix prices and tell us how much we are to receive for our products, is the best means of meeting the obligations which fall upon us as a member of the British commonwealth of nations.

I believe I can speak with some knowledge respecting the attitude of farmers; and in this I find myself in full agreement with the hon. member for Temiscouata who, I believe, understands the farmers in his district. One of the fundamentals which I have felt would be surrendered last by the farmer is his freedom of choice, and his right to do business in his own way, whether that way is or is not considered to be the most scientific by those who now seek to control his activities. I am satisfied that government policy during the last three or four years, and that government policy of today has been based upon a terrible fear of inflation. Price ceilings, controls and restrictions may have done something to avoid inflation, but what was done was done at the farmers' expense and it certainly did not help to provide food for Britain. Had we had higher prices for many lines of farm products, prices that were not arbitrarily fixed by controls, I am satisfied there would not be as many hungry people today in Great Britain.

Much has been said about what happened after the last war, but simply because something is said loudly and emphatically in this house does not necessarily make it a fact. History shows that during the last war there was a greater percentage of increase in agricultural production than we had during this war. There was a great increase from 1915 to 1920 in preparation for the day when food would be short in Europe following the war. True the minister or any hon. member may say that we are producing more now than we did then. We produce more industrial products also. We are a quarter of a century older.

I recall, and I believe the Minister of Agriculture will recall that in 1921 we sent 255,000,000 pounds of bacon to England. We did not have a strait-jacket bill like this one. It is true that our farmers received high prices for that bacon; it is true the price was higher to the consumer, and I do not mean that we should take the last drop of blood from the British after what they have suffered. I am 100 per cent in favour of the donations that this country has made to Britain in the time

of her peril, but I submit that, had we had less fear of inflation, had there been higher prices for agricultural products, we would possibly have been in position to give Britain another $2,000 million which would represent little more than the loss we have taken in selling agricultural products under world prices.

There is no economist who has shown this house or this country that we are on the right road toward finding a solution for the relief of the starving people of Europe and Britain. No one can tell me that the production of eggs, butter and other lines of mixed farming products would have fallen during the last year had prices risen. If that is not the fact, then why was the ceiling removed from the price of eggs this week? I think our first duty is to find more food for what I would term our old customer, and anticipate as our future customer. It is the humanitarian duty of a great agricultural country like this to produce every pound of food we can.

True, the consumption of cereals is not as great as the consumption of many other lines. From 1913 and 1914 up to the present the British consumption of animal products, vegetables, fruits and many other lines of mixed farming products has been 150 to over 200 per cent above the consumption in 1912 and 1914, just before the first great war. The present consumption of cereals is only 89 per cent of what it was during those years. It is natural that the products dealt with by this bill are those in which we can anticipate a growing market when more normal times return.

I consider that the minister is asking a great deal when he asks this house to pass a bill giving him the all-absorbing powers referred to by the hon. member for Temiscouata. In order to avoid repetition I shall not go into the details because they have been discussed at length. As a farmer I reluctantly can conceive a situation arising where I shall have to ask the Minister of Agriculture when I can start seeding, how much I can sow and what I am going to get for the products I sell. There is a principle involved that is a vital one, and there is also a practical side to it.

What I am about to say I say in all sincerity because I do not want to arouse any bitterness at this stage of the debate. I am not speaking recklessly; I am speaking, as the hon. member for Temiscouata mentioned, more or less from a sense of duty to an agricultural riding, a duty to the people of this country. It is our duty as Canadians to do what we can to solve these terrible shortages. I should like someone to show me how you can have ceiling prices, sometimes at unattractive levels, and expect to increase production. The old law of supply and demand has worked down through the years and increased prices have brought about increased production.

Reference has been made to the havoc and recklessness following the last great war. Some have referred to the United States of America having lifted their price ceilings, but I do not know that that affected the United States very greatly. United States farmers for two years now have received fifty per cent more for their agricultural products. I can see where they will be able to buy more tile drain, fences, steel roofs, and erect more buildings and thus keep the wheels of industry going by increased purchasing power.

I know that great emphasis has been placed upon what happened to the economy of this country after the last war, but that was not all caused by high prices. True, this kind of bill is a war baby; this kind of bill is what sometimes follows war. True, following the last war wheat rose to something like $3.25 a bushel, and it even sold for $3.40 a bushel at some points. The government of the day fixed the price of wheat and established the wheat board, but that board was discontinued when the war was over.

However, it gave the people an appetite for controls, planned economy if you will, for boards, regulations and a new economic doctrine. The same thing happened all over the world. In this country we had our wheat pools in western Canada, but I shall not go into that because they have been dealt with before. Then we had the fiasco of 1929 when we told the world what they would have to pay for our wheat. We all know the sad tragic story of what happened. That was about to be repeated in 1939. No one knows better than the Minister of Justice (Mr. Ilsley), that we were about in the same position as we were in 1929. Had it not been for the war, we would have had the same tragic results with reference to wheat.

If we are to strait-jacket every line of agriculture in Canada we are apparently starting with the industry which it was thought would be the last to be controlled. We thought the farmer was the one who was free. I have heard businessmen say that they were going to buy a farm because, if the government kept on getting more socialistic, or if another government even more socialistic came into power the farmer would be the last free man. Now we know he will be the first to be strait-jacketed; he will be the first to be put more or less under restraint. True,

we are told this is only for one year, but perhaps practice makes perfect and nothing corrupts like power unless it be more power.

I do not need to say that this bill involves a dangerous principle. It is not sound economically to place in the hands of any one minister power to fix prices and control the production and sale of agricultural products as this bill does. I do not think it was sound economically to carry price ceilings to the extremes we did and then expect our farmers to produce more when they had to sell their products at fifty per cent less than the United States farmers were getting just across the line. Our production in Canada would have been substantially higher but for those price ceilings. I know the Minister of Agriculture might reply: Compare our production today with what it was from 1930 to 1935 or from 1920 to 1925, and so forth. But he knows the answer to that. We all know how mechanization has revolutionized agriculture in recent years and resulted in greatly increased production in many lines. I wish that the hon. member for Middlesex West (Mr. McCubbin) was in the house at this moment. He and other farmer members would remember what happened in 1919 and 1920 and 1921. He would remember what prompted the farmers in those days to take loads of light hogs off the market and take them back home, as I did, and put seventy-five pounds more apiece on them. In those days the people of Europe were starving; the people of Britain were almost starving, and greater production was needed in Canada. There was the incentive of price and we produced more food and fats and lard for Britain and Europe. That is how we increased our production so enormously in those years; in 1921 we produced and sold 225,000,000 pounds of bacon. During four years in that period our production increased faster than in any three or four years in the last decade.

Even though the minister is asking for this power for only one year, it is not the type of power that should be placed in the hands of any one minister. It is another illustration of the dangerous trend we see in these days, similar to the socialistic trends that started to develop not only in Canada but overseas following the first great war. We know the history of Russia in the years from 1917 to 1920 and how the same phrases were used then. They talked of getting parity between town and village, and then everybody would be happier and production would be increased. But it was Lenin himself who said that that policy had failed and Russia returned to the policy of giving her people returns according to what they produced. We all know how in Germany democratic socialism grew into nazism. We all know what started fascism in Italy. But whether it be fascism in Italy or democratic socialism in Germany, then later nazism, or whether it be so-called socialism in Canada, it all leads eventually to the one thing, and that is a totalitarian state governed by a bureaucracy. Surely after twenty years of experience the time has arrived when we should stop, look and listen before we sow even the kernel of that kind of seed in Canada. I have been amazed to hear people say that we should have a planned economy in Canada; that we should not have any big businesses, and the government should take them over. This kind of socialist legislation that we have before us is the seed that brings forth that type of fruit.

My hon. friends to my left have suggested that we have not enough controls. They believe that some businesses are too big, and yet they assume that they are big enough themselves to run them all.

It has often been glibly said in this house that we have just come through a war that was caused by the capitalists, but proclaiming it loudly does not constitute it a fact. The war was a socialist engendered war. The socialists brought in the sword and perished by the sword.

So far as I am concerned I propose to vote against this measure. Reluctantly I acquiesced in extending the emergency powers of the government for another month. I believe that even that is more than they should have asked for. But when it comes to this measure, Mr. Speaker, I say in all sincerity that I can never be a party to putting into any minister's hands or the hands of any department or of any government the control of the individual such as is sought in this legislation, whereby the government would be in a position to tell the farmer: You will obey me; you will do as I say; you will sow what I command and you will reap what I tell you; you will sell at my price; and if you do not follow my orders you will be committing an offence for which you may be fined up to $5,000 and be sentenced to gaol for two to five years. That is going a very long way in controlling other people's lives. We are taking some wild economic chances, but this is one power that I am not going to give to the minister, and if I do nothing else I know that, in taking that stand, I am representing the people who have elected me. We must return to sane and sound common sense. Call it free enterprise, individual initative; call it liberty, freedom, or anything you like—that is the system under which this country has developed and pros-

pered and that is the system we should follow, not socialism, not C.C.F.ism or any other ism, because all these isms eventually mean the same thing or nothing at all. We must return to the truth enunciated in the Scriptures and earn our bread by the sweat of our brow and receive reasonable recompense for services rendered.

I think the minister will be well advised to review the agreements he has made with Britain. I hope he makes no more of the kind he has made. As a member from Montreal said the other day: Now that we are buying and selling as a nation, we are dealing in national cartels and if any fault is to be found against us for what is done under these agreements it will not be the Winnipeg grain exchange that will be charged or the live stock dealers; it will be Canada herself, because it is this nation that will be dealing with Britain.

I say, Mr. Speaker, that we can produce more food and send more food to Britain if the farmer is allowed to run his own business. The harder he works, the more he expects to earn; and higher prices should bring greater production. That greater production should adjust prices so that the British consumer will not be hurt. Canada's economy cannot afford such novel agreements whereby we are forced to sell our products at less than world prices. This country must maintain a sounder type of economy to be able to play her part in the British commonwealth of nations.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I shall take only a few moments to express myself on this bill, which is entitled, "An act to provide for the sale and export of agricultural products." The leader of this group the other night explained our position, and I agree with him and will vote accordingly.

The hon. member for Temiscouata (Mr. Pouliot) who spoke a few minutes ago, uttered, I believe, a good many words of wisdom. I agree with him in a great deal that he said. I am not imputing any wrong motives but I rather fancy that when the Minister of Agriculture (Mr. Gardiner) drew the hon. member's attention to certain parliamentary rules and standing orders it was not particularly because the speaker was out of order but because he had aroused the minister's ire. I believe the hon. member was speaking the truth with a good deal of passion because he was exercised with respect to the principle underlying the bill. Were it not for the fact that this is simply enabling legislation of a transitional nature I might perhaps choose to vote differently on the matter.

The fact is that there is a cunningly devised scheme abroad for the enslavement of the world, and legislation of this kind—in fact, any legislation—must be scrutinized with every care. The thought must be kept in mind that there is a scheme abroad to enslave the world and to destroy humanity. We must beware lest by the legislation which we pass in this house we aid and abet the programme designed for that purpose. As I have said before, say again now and perhaps shall have occasion to repeat a good many times in the future, there are only two ways of life. Let us make no mistake about that. There are only two programmes in the world and they are designed to accomplish two separate purposes. There is totalitarianism on the one hand—I do not care what you call it; you can call it communism, authoritarianism, dictatorship or whatever you like—and I put socialism there. That is where I "positionize" the philosophy of socialism.

Mr. KNOWLES: That is quite a word.

Mr. HANSELL: You may not find that word in the dictionary, but many good words have originated outside the dictionary. Perhaps I might be credited during my lifetime for originating one word anyway.

There is, on the other hand, the way of life known as democracy, the freedom to exercise one's own initiative; and there is a programme designed for the purpose of realizing a greater and more effective democracy. Either we believe in a regimented state where control is the order of the day and human beings are compelled to obey bureaucratic orders from the big bosses at the head of the state, or we believe in a free society where the order of the day is inducement rather than compulsion. I say that because one of the necessary things in a world slave state is world control of food. We must diagnose very carefully where agricultural legislation fits into this world picture. Members of parliament have a responsibility. Sometimes I think the decorum of this house is sinking to—

An hon. MEMBER: The basement.

Mr. HANSELL: Well, to a "degradated" state, and I sometimes wonder whether we as a parliament recognize our responsibility.

Mr. KNOWLES: Are you "positionizing"?

Mr. HANSELL: I will not mention anyone in particular, but I must confess that I do not like all these catcalls and all this "shut up" business. I do not think in my life I ever told a man to shut up. I may have told him to stop talking, but I was

not brought up in a home where "shut up" was permitted to be said. However I am not dealing with that now.

Members of parliament have a tremendous responsibility in this complex and befuddled world. We might talk about nails and they are important to the builder who cannot get any. We might talk about fish traps. We might even talk about the increase in the price of agricultural products, and certainly the farmers have a right to expect all they can get for their production. Those things are important to the people who might be involved. But even those things are important matters of but passing interest. What I am trying to put over here is that the responsibility of members of parliament, as they scrutinize legislation, is to ask what effect it will have upon the nation or upon the world, because we are one unit in the world of nations. Consideration must be given to the effect this or that legislation will have upon the world twenty, fifty, one hundred or even a thousand years from now. The great statesmen of the past have always done things in the light of the effect on future generations. Any legislation which is to fit into a programme purposely designed to bring about a world socialist authoritarian state must be looked upon with tremendous care and given the closest scrutiny.

I notice that some hon. members have been urging the minister to make promises as to what he is going to do a year from now with respect to agriculture. I am not one of those. The picture may change in a year. I believe we should have some adequate marketing legislation, but it should be marketing legislation which will put the power where it belongs, namely in the hands of those who produce and have the production for sale, not in the hands of powerful bureaucrats. I am not asking the minister to make any promises about future legislation. We will deal with that when we come to it. As far as my small voice is concerned, if I see anything in legislation which fits into this evil scheme of things I shall raise my voice in opposition. I am following our group's position with respect to this bill, because I realize that the government is responsible for the filling of certain contracts; and we are assisting them for the coming year.

Mr. G. J. TUSTIN (Prince Edward-Lennox): I associate myself with the hon. member for Dufferin-Simcoe (Mr. Rowe) in the remarks he made. I had the privilege over the week-end of talking to many farmers about this particular piece of legislation, and I want to call the attention of the minister to the fact that many farmers in Ontario at least are very much concerned about this bill. Last night the minister said it was necessary that he should have the bill passed in order that we may fulfil the contracts which we now have with the United Kingdom. With that, I believe, everyone is in accord; that is, that these contracts should be filled. But the point I wish to emphasize, which is giving the farmers in my community concern, is that new contracts may be entered into.

I listened carefully last night and I heard the minister say that no new agreements would be made, but if I read the bill aright it says clearly that the minister may sell or export agricultural products to any country.

Mr. GARDINER: Only under the orders in council we had during the war.

Mr. TUSTIN: It does not say that in the bill.

Mr. GARDINER: Read it and you will see that it does.

Mr. TUSTIN: I have tried to read it as carefully as I can; while I am not legally trained, I believe I have average intelligence, and I think the bill is perfectly clear in what it says. However, that is one of the concerns that the farmers have.

Let me return to the present agreements. At the present time, the minister indicates, he is negotiating a new contract on cheese. As I understand it, we have a contract entered into for the year 1947, but to date the farmer does not know what he will receive for his cheese for this year. I have been asked on many occasions in the last few weeks whether the thirty cents per 100 pounds subsidy would be maintained on milk that goes into the cheese factory. As far as I know, no announcement has been made by the government, and we are now close to the production season, when a great amount of cheese should be made for that contract. If it is not the intention of the government to pay that subsidy I wish to point out to the minister that it will mean that the farmers of Ontario and Quebec—if the same order is put into effect that takes all cheese for the United Kingdom from the first of April or the first of May until November—will sell their milk to the cheese factories and receive about 3¼ or 3½ cents less for their cheese this year than last year. If that happens, I assure the minister that there will be a great reduction in the amount of cheese produced and, more than that, there will be a rebellion among the farmers of Ontario and Quebec.

I listened last night to the hon. member for Middlesex West (Mr. McCubbin) who, in my

opinion, tried to emphasize this bill as a marketing bill. He said the farmers wanted stability. I can go along with him to that extent. That is absolutely what they want. But is there any stability in this bill? No. Instead of this bill being a marketing bill, I would call it a confiscation bill, because the minister has power under it to take any agricultural product he sees fit—

Mr. GARDINER: You had better read it again.

Mr. TUSTIN: I have read it many times. He has power to take any agricultural product he sees fit—

Mr. GARDINER: Taking it only at the packing plants, and so on.

Mr. TUSTIN: It does not say that in the bill.

Mr. GARDINER: It says it in the orders in council the bill brings into effect.

Mr. TUSTIN: When this bill is passed it becomes a statute.

Mr. GARDINER: And the orders in council become part of it.

Mr. TUSTIN: That may be so; nevertheless, we who have no legal training have to read the bill as it is printed, and the point is that the minister, under this bill, may take any crop that is now under production this year and may take it at any price at which he cares to sell it, whether that is acceptable to the farmer or not. I am trying to point out the feeling of the men who are to produce the agricultural products. That is the feeling they have in regard to the bill.

Mr. GARDINER: You must have instructed them wrongly.

Mr. TUSTIN: I did not instruct them at all.

Mr. GARDINER: They have never seen the bill.

Mr. TUSTIN: Do not think the farmers of the country do not think for themselves.

Mr. GARDINER: The farmers never saw the bill or the orders in council. You had the opportunity to and you should explain it.

Mr. TUSTIN: A number of these bills have been sent out. Make no mistake about that, because I sent a number of them myself.

It is not my intention to take the time of the house now, but I call the attention of the minister again to the fact that it is stability the farmers want and there is no stability for them in this bill. This bill, in their opinion, gives altogether too much power to the minister and his department. If that is not the intention of the bill, then the bill should be rewritten and the intent should be plainly inserted, as to what the effect of the bill will be, so that the ordinary individual can understand it.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I shall be only a few minutes, because I think practically everything that can possibly be said in connection with this bill has been said already. But I should like to direct the attention of the house again to the fact that this is not the kind of bill we would like to have seen introduced, but a bill necessary because of certain agreements the government has entered into with Great Britain. It is an act to provide for the sale and export of agricultural products.

I have risen to say one or two things in particular. First, I want to refer to the speech made this afternoon by the hon. member for Macleod (Mr. Hansell). I am not going to deal with what he said, but there has been a practice on the part of the hon. gentleman and his friends of continually casting verbal bricks in the direction of the C.C.F., and we have not retaliated. I do not believe this is the time one should do that; but one of these days, perhaps, when the proper occasion arises, one could put a pretty well documented case on the record to indicate clearly just how democratic my hon. friends to the left really are. However I do not propose to do that tonight.

I should like to refer also to the remarks made this afternoon by the hon. member for Dufferin-Simcoe (Mr. Rowe) in a somewhat similar vein. During this debate we have heard a great deal about the attempt on the part of those of us who are supporting this bill to impose some compulsion upon the farmers of this country in connection with the marketing of their products. I want to say to the hon. gentleman that, while this bill does not go nearly as far in connection with the marketing of our natural products as the farmers themselves would like to see it go, nevertheless I believe it has the support of a large majority of the producers of this country. When I hear, as I have heard so often during this debate, horror expressed by my hon. friends to my immediate right in the Progressive Conservative party in regard to compulsion, regimentation and taking away the

rights of the farmers, I remember that throughout the debate I have had in my desk a copy of the act passed in 1934 by the government of which my hon. friend became a member shortly after; without portfolio, it is true; nevertheless a member of the government which introduced that measure and saw that it went through the various stages and became temporarily the law of this land. If you look over that bill, bearing in mind the sort of speeches that have been made by hon. members to my right, you realize how little ground they have for criticism when you look back upon their own record. In the legislation passed by the Bennett government I find:

In this act and in any regulations made thereunder, unless the context otherwise requires,—
(e) "natural products" includes animals, meats, eggs, wool, dairy products, grains, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of agriculture and of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated—

By whom?

—by the governor in council, in accordance with the provisions of this act.

Mr. PROBE: Was that a Tory bill?

Mr. COLDWELL: Yes, the Conservative bill of 1934. Then, if you turn to section 12, which contains much of the meat of the bill, you find this:

The governor in council may by order or regulation, notice whereof shall be published forthwith in the *Canada Gazette*,—
(a) regulate or restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product;
(b) regulate or restrict the exportation from Canada of any natural product;
(c) provide for the licensing of persons by whom any such natural product may be imported or exported;
(d) prescribe the forms of such licences and the terms and conditions upon which the same may be issued, renewed, suspended or revoked by the governor in council.

There has never been any greater power placed in the hands of any government than was given by the bill introduced into this house and put upon the statute books by my hon. friends in 1934, when they were the government of Canada. Consequently, when we hear all this criticism of those of us in other parts of the house today who are supporting what I would call this very minor measure, it does not sound as though there is very much in it. To me it has a very hollow sound. When the government of Canada—and I hope it will be soon—introduces a bill for the marketing of our natural products, I hope that bill will place the powers that are necessary in the hands of a board representative of the producers of this country, in order that the farmer may in reality control his own product. This legislation of 1934, while it did establish a board, nonetheless placed the vital powers I have enumerated as contained in this section of the bill in the hands of the governor general in council. So that when we hear about compulsion and regimentation I would advise my hon. friends to go back just a few years and see what kind of legislation they introduced and had passed when they were in power. Now I see the hon. member for Muskoka-Ontario (Mr. Macdonnell) wants to ask a question.

Mr. MACDONNELL (Muskoka-Ontario): Without offering any comments as to the comparison between the powers contained in the 1934 marketing act and the present legislation, may I ask, would the hon. member agree that the powers conferred at that time were for the purpose of assisting the farmers to manage their own affairs in the way they thought desirable, and that it therefore differed tremendously from the present bill? It seems to me that is a basic distinction.

Mr. COLDWELL: The clause I just read did not place the power in the hands of the farmers themselves. It took all the power away from them and placed it in the hands of the governor in council.

Mr. MACDONNELL (Muskoka-Ontario): But may I ask the hon. member to answer the question? He has not done so yet, and I hope he will.

Mr. COLDWELL: I certainly will. A board was established representative of the producers, and to that extent that was a good bill; but only to that extent. I would say to the hon. member for Muskoka-Ontario that the bill now before us—and we complain about this—is in an entirely different category from the bill of 1934. That bill was for the control of the marketing of our natural products. The bill we now have before us is mainly to carry out certain orders in council that have already been passed in order that we may live up to agreements we have already signed. I hope that when a bill similar to this one comes before the house it will not contain the kind of clauses I have just read. I hope it will be a more progressive bill, so that even the Conservatives, who have now tacked on to their old name the name "Progressive," may be able to see the light and support a decent bill for the farm population of this country.

May I say just one more thing. We were told many times this afternoon by the hon. member for Dufferin-Simcoe (Mr. Rowe) that

this is a socialist bill. Well, I think it contains very little of socialism except that it does enable the country to trade as a nation and to fulfil certain agreements that should be fulfilled. But the whole object of the bill at the moment is to enable us to fulfil our obligations, and to bring order into what otherwise might be a chaos of marketing at this time. Consequently it deserves the support of every hon. member in the house. And when the name "socialist" is bandied across the chamber, I am not worried; because those of us who are democratic socialists are in pretty good company. The people of Norway, of Sweden, of Australia, of New Zealand, and the government of Great Britain are in that same position; and I challenge anyone anywhere in the world to show me countries which over the years have been more loyal to democratic institutions than the countries or governments I have named.

Therefore, when these epithets are bandied about the chamber, as they are, they are meaningless. So far as I am concerned, I am proud to be associated with the same kind of people who have maintained democracy, who have not endeavoured either to stifle or to control the press at any time in their existence as have some of those who profess in this chamber such love for democracy, but who have kept the torch of human freedom alight on the basis of human brotherhood and good will between all peoples and all races of all creeds and of all colours.

Consequently I do not resent it one little bit when someone refers to me as a socialist, or to the group which surrounds as a socialist group. We are a socialist group, because we believe that the principles of democracy and those principles of human brotherhood that are at the very base of the religion which most of us profess are indeed the same as those which lie at the root of a political philosophy the basis of which is that of human brotherhood and good will to all mankind.

Mr. T. B. BARRETT (Norfolk): Mr. Speaker, I do not intend to take up the time of the house very long, but as a farmer and a representative from an agricultural constituency I feel I must add my voice in protest against this bill.

The farmers in my part of the country are already restless under the controls which now exist, and they are fearful of seeing any more controls come into effect. They have seen controls lifted, and have seen other classes released from controls; and they fear that with this bill the chains which already bind them are going to be strengthened. They feel, and I agree with them, that we cannot live half bond and half free. That is why I am so much afraid that measures of this kind will in time lead to complete socialism and dictatorship. You cannot control one thing without its affecting a great many others. The farmers I know are demanding that the government stop their ears and steer away from this siren song of socialism.

As the hon. member for Dufferin-Simcoe (Mr. Rowe) pointed out this afternoon, too many ships of state have already been lured to their doom by those seductive strains. I fear that this bill will defeat the very purpose for which it is intended, namely to produce more foodstuffs for Great Britain. One needs only to look around Ontario today, to see the acres and acres of fat farm land that is growing nothing but weeds, to look at the acres and acres of good farm land being only half worked, to look at the thousands of young men who are leaving the farms and going to jobs where they can earn twice as much money for half the work, to realize the truth of what I am saying.

Look at the reduced production in many lines; and if more restrictions are put on the farmers it will result only in more restricted production. I feel—and I speak only for myself, although I am sure there are others on both sides of the house, in addition to the hon. member for Temiscouata (Mr. Pouliot), who feel the same—that this thing we are letting ourselves in for, this incipient socialism, is nothing but the beginning of a cancer. If at the beginning it is not destroyed, root and branch, it will continue to grow until it destroys us. To remove it will require a major operation, an operation which will be painful and which many people dread. But unless we do operate and root it out, it will destroy the way of life we now have.

Mr. SPEAKER: If the Minister speaks he will close the debate.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, when last Monday evening the second reading of this bill was called I had thought I might save time by not speaking on second reading. I am afraid, however, that I really proved that the rules and customs which have been laid down through long years of practice are better to be followed. Probably it would have taken less time, had I spoken at the beginning of the debate on second reading, rather than now. I thought that because of the discussion we had on the resolution, most of what needed to be said at the beginning of the debate had already been said, and that therefore there was not much necessity for saying more. I find,

however, I was mistaken in that; and probably mistaken in something else, that I had placed in the hands of the opposition the evening second reading was called an amendment which was suggested from the other side of the house, rather than from this side. That has caused a considerable amount of debate to take place on the second reading that probably might better have come in committee.

In view of the discussions which have taken place, I think it is necessary that I should say something before the vote is taken. I am not going to follow the criticism which was made this afternoon from this side of the house by the hon. member for Temiscouata (Mr. Pouliot) other than to say that no one has suggested that anything which was done during the war period under the powers given by the orders in council that are dealt with in this legislation was part of Liberal policy or principle.

I have stated on previous occasions that the Liberal party was established in Britain for the same purpose that some other organizations are being established in these days; it was established during the last century for the purpose of trying to make wars unnecessary and impossible. It was not established for the purpose of conducting or prosecuting wars; it was established for the purpose of avoiding them. In other words, it had in mind that a situation would be created of extending among the peoples of the world the opportunity of trading freely with one another which would make war not only unnecessary but impossible. It may be that time has disappointed some of those who were strong advocates of that idea; nevertheless I think something has happened as a result which has been really beneficial.

When war did come in 1939 no one thought that war could be conducted under a condition where there would be freedom of exchange of goods as among the countries of the world. The first thing that had to be stopped was freedom of the exchange of goods among the countries of the world. It was stopped, not only by the armies but by every kind of regulation that could be put on to stop it. So we had to stop trading with countries with which we had previously been trading, and with which we have not yet got back to trading. I repeat that Liberalism was never established for the purpose of prosecuting wars and it cannot be utilized for the purpose of successfully carrying on a war when once we are forced into it.

An hon. MEMBER: We are aware of that.

Mr. GARDINER: If that remark was intended to reflect on the government, I am quite sure we made a better job of it than did the Conservative party in the previous war. During the war certain agreements were made, and may I say that those agreements were not made with a socialist government. The agreements which are before this house under this legislation were made at a time when the present leader of the Conservative party in Great Britain was in charge of the government and when the minister of food in that country, Lord Woolton, was one of the outstanding leaders of the Conservative party. Negotiations for the agreements which are before the house under this legislation were mostly between Lord Woolton and myself and our officials in London. They were then carried on later by his representatives and ours both in Ottawa and in London. I say to hon. members opposite and to hon. members on this side, who criticize Mr. Strachey and other members of the British government that they are not criticizing the persons with whom these agreements were entered into. These agreements were entered into with the government that prosecuted the war under the leadership of Mr. Churchill.

Having said that, may I call attention to some of the criticism which we have had, not only during this debate but at other times, with regard to the activities of this government. We have been told that during the war period we appointed too many boards. We have been told that this country should operate under a responsible representative system of government and that the ministers should take responsibility. I have sat in my place in this house during all the years of war and listened to the official opposition hammering Donald Gordon, for example, and suggesting that the powers which were in his hands should be in the hands of the Minister of Agriculture. I have heard hon. members on both sides of the house contend that the powers which were put in the hands of the different boards ought to be in the hands of the ministers themselves. Now, when some effort is made on this occasion to retain some of the responsibility in the hands of the ministers we hear nothing but criticism of that particular action from the official opposition.

Then both prior to and during the debate we have heard many statements to the effect that we should do away with compulsion, more particularly compulsion that is exercised by bodies outside the government itself. Again I say that in this debate we have heard a constant advocacy of the idea of setting up an independent board of some

kind and giving to that board all the authorities which this bill places in the hands of the government itself.

Then it was said by the leader of the opposition, as reported at page 260 of *Hansard*:

I am sure also that the house will be pleased to know from the minister's statement that no extension of powers is proposed but rather an extension of time during which certain controls will continue, approximately a year, I understand. We will examine the measure very carefully with respect to the statement that there is not an extension of powers. I hope we will find that that is correct.

Almost every time that hon. members of the official opposition have been on their feet they have been advocating the extension of powers that were given to the Minister of Agriculture or to the different boards or to the government itself under the orders in council that were passed during the period of the war. So I say that this debate has somewhat surprised and astonished me in the course that it has followed.

Probably I should now ask some questions with regard to the measure that has been discussed continuously ever since this debate opened as the measure that ought to be adopted by the house. I wish to thank the hon. leader of the C.C.F. party for having read into the record certain clauses from the bill that was introduced into this house in 1934 by the official opposition. I should like to read into the record some of the proposals which have been made in this debate and which, it has been suggested, ought to be adopted. I am afraid that every member of the opposition voted for them last night.

We have had the suggestion made that certain things ought to be done in this house at the present time because farm organizations have asked for them. I have in my hand the model bill which the farm organizations have asked for. On the second page is a list of the names of the heads of most of the farm organizations in Canada, and then the short title of the bill is given as follows:

This act may be cited as the Farm Products Marketing Act.

Then under interpretation:

(c) "Marketing" means with respect to interprovincial trade within Canada or export trade, preparing for sale, buying and selling and offering for sale, or otherwise disposing of any farm product in any manner whatsoever, and includes its transportation in any manner by any person.

You could hardly have an interpretation of marketing which could be wider than that. Then it goes on to give the purpose and intent of the act as follows:

The purpose and intent of this act is to provide in respect to interprovincial trade in Canada and in export trade, for the improvement of the methods and practices of marketing of farm products, and for the promotion, control, regulation, or prohibition, of the marketing of farm products, in any or all respects and in whole or in part.

The next section is headed, "Establishment of schemes and marketing boards", and reads:

The governor in council shall establish a board to be known as the dominion marketing board.

It does not say that the farmers are to establish a board but the governor in council is to establish a board. Then it goes on to say:

(a) The board shall consist of such number of persons as the governor in council may from time to time determine, and each member shall hold office during pleasure and shall receive such remuneration—

Not such remuneration as the farmers decide to give him, but:

—as the governor in council shall determine.

Then paragraph (i) says:

(i) The governor in council may from time to time authorize payment to the board out of moneys to be appropriated by parliament of such sums of money as may be necessary to assist in the organization of local boards, to defray the operating expenses of the board incurred by it directly and any expenditure incurred or authorized by the board.

Then section 2 goes on to say:

(2) On recommendation of the board, the governor in council may, from time to time establish, amend and revoke schemes for the marketing or the promoting, regulation or prohibition of the marketing of any farm product, in the interprovincial trade within Canada and in export trade, and may constitute local boards to administer such schemes.

All of this is based on orders in council, as is customary with all such legislation brought before the house.

Then we come to the powers of the board in section 5:

5. (1) Without limiting the generality of any of the other provisions in this act, the governor in council may, subject to the provisions of this act and in respect to interprovincial trade within Canada and of export trade, vest in the dominion marketing board, any or all of the following powers:—

(a) To market or to regulate the time and place at which, and to designate the agency by or through which, any regulated product may be marketed; to regulate, control, or determine the manner of distribution, the quantity, quality, variety, grade, class, or size of the regulated product which shall be marketed by any person at any time; and to prohibit the marketing of any quantity, quality, variety, grade, class or size of any regulated product.

You can tell them that they cannot market their small potatoes and small apples; that they cannot market this and cannot market that. I am not saying that this is legislation which ought to be passed or ought not to be

passed, but when members of the opposition talk about the powers given by order in council to boards or by order in council to ministers or by order in council to anyone, there is in this bill no power over the individual which compares with the powers proposed in the bill that was suggested to this house last night and was voted for by every member of the opposition who was then in the house. Then paragraph (h) gives the board power:

(h) To require full information relating to the marketing of the regulated product from all persons engaged therein, and to require periodic returns to be made by such persons; and to inspect the books and premises and vehicles of such persons.

Then paragraph (k):

(k) To require the person in charge of any vehicle to stop the vehicle and to permit any person appointed by the board for such purpose, to inspect the vehicle and its contents.

All these powers and many more—the paragraphs exhaust the greater part of the letters of the alphabet up to (o)—can be brought into being and would be brought into being, not by any farm organization, but by order in council and would be put into effect by the government of the day. All I wish to say in that regard, in reply to the suggestion that under the present legislation wide powers are given to the government and the minister, and through the minister to boards, is that there are contained in this bill no powers which begin to compare with those contained in the bill that was proposed to set up a permanent marketing board.

In addition, criticism was made of the penalties. In this bill the penalties do not exceed $5,000, whereas in the model bill the penalties run from $25 to not more than $10,000.

Having said that with regard to the legislation that has been proposed, may I now say something with regard to the powers contained in the present bill which have been severely criticized by those discussing the bill. I agree with the leader of the C.C.F. party when he says that, in spite of the fact that these agreements are to be carried out with a British government which for the time being is socialist, this legislation is not socialist in most of its clauses. There may be some respects in which it may be termed socialist to a degree, but I quite agree that it is not the kind or type of legislation which the C.C.F. party, if they were in power in this country, would introduce into this house. It has in it some principles with which they agree and it deals with a situation now existing in a manner with which they agree, but it is not a bill which is based on the principles of socialism any more than the bill which the official opposition advocated in 1934 and advocated again last night is based entirely or even largely on the principles of socialism.

Mr. HACKETT: If the minister will permit a question, does he mean to suggest that by voting to refer the bill back to the committee the opposition upheld the principle of the bill?

Mr. GARDINER: It was made plain to the official opposition what the C.C.F. party had in mind when they introduced the resolution. That was clearly defined, and it was supported and voted for by the official opposition.

Mr. HACKETT: That is not an answer to the question.

Mr. GARDINER: It is a good enough answer for your purposes and mine.

An hon. MEMBER: Both political.

Mr. GARDINER: Both political. What is the first thing this bill is supposed to do? The first thing it is supposed to do is to complete the agreements made under order in council. I hope that anyone who has read the order in council setting up any of these boards will not try to argue that there are fewer powers in the orders in council than are contained in the bill. I shall read only one or two of them. In the first place, we are given power under the order in council with regard to the meat board, to set up a board, and I take the meat board because it covers more countries than just Britain. Section 3 of the order in council provides:

There shall be a board to be called the meat board consisting of four members—

The only difference there is that we state the number of members.

—of whom one shall be chairman and all of whom shall be appointed by the governor in council to hold office during pleasure.

Almost exactly the same words as are used in the model bill that was presented to us the other day. It goes on:

The chairman and other members of the board shall be paid respectively such salaries or other remuneration as may be fixed by the governor in council.

There we have the board set up. Then section 4 of the order in council deals with the powers of the board:

The board shall have power, subject to the approval of the minister and subject to the provisions of P.C. 9692 of October 22, 1942, as amended, and to section 2(3) of P.C. 8528 of November 1, 1941, as amended,

(a) to regulate the export of meat pursuant to any contract or agreement for export entered into by the government of Canada or any agency thereof with any external government or any agency thereof, and to that end to arrange with or require any packer or other person to ship and deliver meat of the kind, quantity and quality specified.

The board has also power:

to regulate the storage of meat . . . to determine the prices which shall be paid to packers or other persons for meat delivered for export in accordance with paragraph (a) of the section and for meat delivered in storage in accordance with paragraph (b) of this section; provided that with respect to meats secured for export in accordance with the requirements of the board, the price to be paid shall not exceed the price established for the various kinds and grades at the time such meat was taken into store . . .

And so on. In other words, we set up a board or the governor in council sets up a board. We regulate storage. We regulate the price. We determine the price to be paid packers or others as hereinbefore provided and to establish the differentials in price. We have the power to fix the minimum price to be paid by packers or other persons for live stock and so on; to inspect meat delivered; to require any packer to consult from time to time with any advisory committee and so on down to (l):

to recommend to the wartime prices and trade board conditions to be attached to licences issued to packers by such board and the fees payable therefor.

And (n):

to make such rules as may seem expedient for the conduct of its business and proceedings not inconsistent with provisions of these regulations.

And so on down through another five or six regulations.

What I want to state with regard to it is this. Under those regulations we did not have the authority to go into the back yards, or if we did have the authority we did not exercise it. The kind of authority which we exercised in relation to agreements of that kind, whether it was with regard to bacon, cheese or whatever it was, was to go to the packing plants, the plants at which the cheese was made, the plants at which the other products were produced, at that particular stage, the secondary stage of their production, and by agreement at a price take possession of them and ship them to the markets where they were required under these agreements.

There are provisions in the bill to make it possible for us to enter into a new agreement with regard to apples and/or cattle or anything that we have been dealing with up to the present time. That was put there in the first instance to meet the very situations which have been discussed by hon. members of the opposition during this debate. We were asked by producers, mostly from Alberta, to arrange for quota shipments of beef cattle into the United States. We do not at the moment agree with the suggestion and I do not know that we shall agree with it at any time during the year.

An hon. MEMBER: Why not?

Mr. GARDINER: I have given my reasons why prior to this and I am not going to repeat them now.

Mr. ROSS (Souris): We spend too much there.

Mr. GARDINER: I am not going to say any more tonight than I would have said last night about what we are going to do a year from now. As was stated by the hon. member for Macleod (Mr. Hansell), many things may happen during the next six or twelve months, and no one who is responsible for the administration of the affairs of government will commit himself, either in this house or outside of it, twelve months ahead as to what ought to be done at that particular time with regard to matters of this kind.

An hon. MEMBER: The farmers will not have much to say about it.

Mr. GARDINER: The second thing which is proposed in this act is to give the government the power to go out and make a new agreement with regard to apples and to have the authority to make new arrangements with regard to such matters as beef, if it is found necessary to do so, in order to take care of the situation in this country. But as far as I know at the present time we shall probably not change our mind with regard to sending quotas of beef into the United States, for the same reason I spoke of the other night. But there could be developments in our relationship with the Americans, from thoughts expressed to us by them, which might change our minds with regard to a matter of that kind.

Discussions have gone far enough to indicate why we have special provision made in the bill to take care of apples. I have not any hesitation in saying that if it is the will of this house—and I am speaking more particularly to the opposition—and if they want the provisions for dealing with apples and the provisions for dealing, if necessary, with cattle, or any other condition of that kind removed from this bill, I have not any objection to its being removed. It will take only one word to remove it, and that word can be put in when

we come to the section where it can be put in, and it will remove entirely from the act any necessity for dealing with anything new in connection with this bill.

I say I am prepared to do that, and I have not any hesitation in saying why I am prepared to do that. The government have given every consideration to the representations which have been made to them through the Minister of Agriculture by producers of cattle and by producers of apples; and we have placed in the bill, as I said the other night, a degree of increased authority and power in order to make it possible for us to go that much farther. But if, when we get into committee, this house wants that power taken away, I am not going to battle in order to retain that position, in the light of what has been said in the discussions throughout this debate. We can have everything which is necessary to be done under the agreements which we have made, because every other one of these orders in council preparing for the setting up of boards, except that having to do with meat, confines our activities entirely to the United Kingdom and does not make it possible for us to do any trading under these agreements with any country but Great Britain. The meat order does make it possible for us to deal with other countries.

One thing which is necessary before we can deal with apples as we did deal with them during the war, is to have some authority with regard to interprovincial trade. We do not require any authority with regard to interprovincial trade in order to deal with the other agreements which were already made under the orders in council which we had during war time.

I want to state clearly, Mr. Speaker, to the members of the house that the one thing which involves principle in connection with this bill is the provision for carrying out the contracts which we have made, giving us the authority to change price levels and quantities in those contracts until we reach the end of the period covered by the contracts. In addition to that, we have said that we are prepared to come back here once a year and report on what has happened. We are not saying that we are not going to ask the house for an extension of these powers next year. We have said clearly that we likely shall be doing that because our contracts on meat, bacon, beef and cheese, as well as on other products, will run beyond March 31, 1948; and unless something happens which makes it absolutely impossible for this country and Britain to continue their contractual relationship, we shall be back a year from now asking for an extension of these authorities under the bill. But this house will have the power then to deal with them just as they have the power to deal with them now. However the principle underlying this bill, and the only principle which the government has been insistent upon putting into it and keeping in it, is the authority which is necessary to carry out the agreements we have made to deliver our surpluses of food to the United Kingdom. If we have this in the bill when it is completed, we shall consider that we have reached the objective we have in mind; and I would suggest that the bill be given its second reading.

Mr. COLDWELL: Mr. Speaker, will you please call for the yeas and nays?

Mr. SPEAKER: Those in favour of the motion will say "yea."

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those opposed to the motion will say "nay."

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "yeas" have it. Call in the members. Before putting the question, may I ask hon. members to be good enough to keep silence during the vote in order that the work of the officers in charge may be facilitated. May I also ask every hon. member to remain standing until his name has been called by the clerk assistant so as to ensure that there shall be no mistakes during the taking of the vote.

The house divided on the motion (Mr. Gardiner) which was agreed to on the following division:

YEAS

Messrs:

Archibald
Argue
Baker
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blackmore
Blanchette
Boivin
Bourget
Bowerman
Bradette
Breithaupt
Bridges
Brown
Brunelle
Bryce
Burton
Campbell
Castleden
Chevrier
Cleaver
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Dubois
Emmerson
Eudes
Farquhar
Fournier (Hull)

Fournier (Maisonneuve-Rosemont)
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Hallé
Hansell
Healy
Herridge
Hlynka
Ilsley
Irvine
Jaenicke
Jean
Johnston
Jutras
Kirk
Knight
Knowles
Kuhl
LaCroix
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Leger
Lesage
Low
McCann
McCuaig
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
McGarry
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean
MacNaught
Maloney
Marquis
Marshall
Martin
Matthews (Brandon)
Mayhew
Michaud
Mitchell
Moore
Mullins
Mutch
Nicholson
Pinard
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Ross (Hamilton East)
St. Laurent
Shaw
Sinclair (Ontario)
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Townley-Smith
Tremblay
Tucker
Warren
Weir
Whitman
Winkler
Winters
Wylie
Zaplitny—134.

NAYS

Messrs:

Adamson
Ashby
Barrett
Black (Cumberland)
Black (Yukon)
Blair
Boucher
Bradshaw
Brooks
Caouette
Cardiff
Casselman
Charlton
Church
Cockeram
Coyle
Daniel
Dorion
Drope
Fraser
Gagnon
Graydon
Murphy
Green
Hackett
Hamel
Harkness
Harris (Danforth)
Hazen
Henderson
Héon
Hodgson
Homuth
Jackman
Kidd
Lennard
Macdonnell (Muskoka-Ontario)
McLure
McMaster
MacNicol
Manross
Menary
Merritt
Miller
Skey
Pearkes
Pouliot
Raymond (Beauharnois-Laprairie)
Ross (St. Paul's)
Ross (Souris)
Rowe
Senn
Stephenson
Stokes
Timmins
Tustin
Webb
White (Hastings-Peterborough)—58.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted I would have voted for the motion.

Mr. GARIEPY: I was paired with the hon. member for Victoria-Carleton (Mr. Hatfield). Had I voted I would have voted for the motion.

Mr. LACOMBE: I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted I would have voted against the motion.

(Translation):

Mr. BONNIER: Mr. Speaker, I was paired. Had I voted I would have voted for the motion.

(Text):

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1.

Mr. BURTON: I hesitate to bother the minister so soon after his making a comprehensive statement. Yet there is a matter concerning which I should like him to give us some clarification. Yesterday he made the statement that "there might be a possibility of doing that twelve months from now, if the proper boards were set up". Would he explain to the committee what action he intends to take so that necessary boards will be set up, or encouragement given to the setting up of the boards to which he has referred.

Prior to that, the minister had stated that in all provinces there was provincial marketing legislation. I suggest that the committee should know to what extent the minister intends to make use of the legislation in the provinces, and to what extent the minister and his department will give encouragement to the setting up of the boards to which he made reference yesterday. I ask this so that, when we come back here a year from now, we shall not be met with the same story that the time is too short and that the necessary boards have not been set up in certain parts of Canada to make use of a wider natural products marketing act, such as that which he intimated yesterday it would be impossible to have now, even if he wanted to have it. I may say he did not sound encouraging in that respect.

Mr. GARDINER: What I had in mind yesterday, and still have, is that there are only two boards I know of—although there may be some others affecting products for interprovincial trade—which can be utilized for the purpose of providing products which might be sent to the British market under the agreements. One of those products is apples, and I mentioned that in the discussion. There are apple boards which could perform the task of providing apples to fill the contract. In addition to that, tobacco has been organized in a similar fashion. However we have no agreement in respect of tobacco, and I do not believe there is any necessity for or likelihood of it. They deal with their own product, and will probably continue to do so.

What I said yesterday was that it would be impossible for us to turn over the task of supplying products such as bacon, cheese and, at the present time, even beans, or any of the other products for which we have agreements, to any producers board which now exists. I do not know whether it is possible for the farm organizations between now and a year from now to set up boards which could supply us with, let us say, bacon. I would have grave doubts as to whether it could be done. If there are no such boards to which we can apply for the products a year hence, we would require to come back and ask the permission of the house again to go on as we are, so far as bacon is concerned.

Hon. members are reasonably familiar with the situation with regard to apples and with regard to bacon. The situation respecting cheese is probably halfway between the two. In what I said yesterday I meant simply that, so far as the carrying out of these agreements is concerned, if there were suitable organizations to which the task could be turned over, we would have no objection to doing that. We have already utilized the apple boards in carrying out arrangements we have had with regard to apples. While we have not had an agreement with regard to tobacco, we assisted the tobacco boards in carrying out their negotiations during the war.

Mr. BURTON: The minister has not quite answered the question. I asked as to what extent he and his department were willing to cooperate with people in the various provinces who would be desirous of setting up boards in those provinces.

May I enlarge upon that. I am concerned with the fact that some sections of the country are in need of assistance to get their products properly on the market, and I have in mind particularly the potato growers. When I attended the conference recently of the Canadian Federation of Agriculture, to which reference has been made, potatoes were mentioned To what extent would the minister's department assist in setting up a potato board in a province with which at a later time the national board could do business. There are other commodities in a similar position. In different parts of the country producers are concerned, but in many instances they require assistance and encouragement.

When the minister spoke yesterday he referred to the possibility of setting up these boards. My concern is that a year from now we ought not to be faced again with the statement that the time is too short, that the necessary boards have not been set up in the different parts of the country, and that, as a consequence, we can do nothing more than pass another bill similar to this one.

Mr. GARDINER: Yesterday the hon. member for Middlesex West spoke with regard to beans and suggested that the bean growers might be encouraged to set up a marketing board. In 1939 we placed upon the statute books an act under which farmers could organize to market their products cooperatively. That act provides that when any group of farmers anywhere in Canada desire to pool their product and market it cooperatively the government will guarantee an arranged upon advance to the farmers in the area, but that advance could not be more than sixty per cent of the average price for the preceding three years. I was looking in my file for the return that was brought down a few days ago indicating the number of organizations which have been set up under that legislation since 1939. It is not here. I know there is one in Saskatchewan which will be well known to the hon. member for Humboldt. This has to do with the marketing of alfalfa seed, fodder crop seed. This organization has operated ever since the act was set up in 1939.

This year the fur producers of Prince Edward Island set up an organization to market the furs raised on their ranches. I have a request from the minister of natural resources of Saskatchewan for copies of the act. He is making this request because of correspondence some of their people have had with Prince Edward Island with regard to the setting up of a cooperative to deal with that product. We have sent them the act and all the regulations and information as to how to go about organizing under it.

I must say that there were more of these organizations during the first year of the act than there have been since, but now that the war is over, inquiries are coming in and

these organizations are being set up again. The bean producers or the producers of any other commodity can organize. If they did organize there is no doubt that we would take the beans from the organization to fill agreements.

Mr. MICHAUD: What are the main differences between this bill and the Agricultural Prices Support Act as far as powers are concerned? Is it contemplated that this bill should apply to products which are not under contract with countries like Great Britain?

Mr. GARDINER: I do not know whether the hon. member was in the house when I spoke on the second reading, but at that time I stated there was a possibility that it might deal with products other than those covered by the agreements made under the orders in council. I shall not be in position until we get by the next section to say whether that is true or not. If there is to be an amendment to make it apply only to the agreements which we already have, then that must be done under the next section. If it is to apply to apples or to any arrangement that we might desire to make to send some beef, say to the United States or France or anywhere else, then we would leave the bill as it is and in that case there would be more authority than we had under the orders to the extent that apples would be included.

In so far as any other powers are concerned, the powers that are in here are copied from the orders in council which we had during war time. It is true that they are copied in general terms, but they must be if we are to be in a position to make a new apple agreement or other agreements. If not, then we can confine the operation of the act to the agreements now in existence.

Mr. MICHAUD: Perhaps I did not make my point clear. I asked how this bill compared with the Agricultural Prices Support Act, not the orders in council.

Mr. GARDINER: The orders in council have powers similar to those provided by the Agricultural Prices Support Act. I should repeat what I said when speaking on the amendment, that it is our hope that we can avoid bringing in the Agricultural Prices Support Act to apply in connection with any particular product so long as we can maintain the agreement which sets a floor price. But if for any reason we are not able to maintain the agreement to secure floor prices it will be necessary to bring in the Agricultural Prices Support Act.

Mr. BENTLEY: In answer to the hon. member for Humboldt and at other times during the debate, the minister pointed out that it would be impossible at this stage to prepare a marketing act which would carry out the terms of these contracts as well as this bill would. Answering the hon. member for Humboldt, the minister said he was not prepared to introduce a marketing act, nor was he prepared to say that it would be done next year. As was pointed out by my seat-mate, this may go on and on for ever and ever. I noticed that someone on the Tory benches stated that the minister could make contracts and then come to the house next year and say, "I have committed the country; you must pass this bill to make it valid." The result would be that we might never have a natural products marketing act.

On the other hand, if the minister were to take steps now to prepare one we would have it for this session or early next session and it would provide encouragement for a lot of people in the various provinces to go ahead and form the types of organization he has described. It could be used for that purpose and for other purposes as well. Will the minister tell us why he is so reluctant to give that necessary encouragement? That is all we ask. We do not want the minister to wait and make this an election promise at the next election; we would like him to indicate what he intends to do.

Mr. GARDINER: I am sure my hon. friend will agree that the Minister of Agriculture is not the government, despite what the official opposition say. It is absolutely impossible for me to tell the house what will be done with regard to any piece of legislation until that legislation has been considered by the government. It would be impossible for me to say here that we intend to bring down a bill next year or the year after or any other year. The bill has to be drafted and submitted to the government; it would have to be considered by the government before I would have any authority to say in this house or anywhere else that we intended to bring in a bill at any time. All I can say at the moment is that we have decided not to bring in one at this session.

Mr. NICHOLSON: A few weeks ago the minister made a statement in the house regarding the potato situation in the maritimes. Would he state under what authority he acted? Would he also tell us what quantities of potatoes are involved? What arrangements have been made to assure that no potatoes will be destroyed in the maritimes? Will he

state whether surplus potatoes will reach the British isles under the order in council or whatever legislation the minister is acting under?

Mr. GARDINER: The arrangements were made under the Agricultural Prices Support Act by the agricultural prices support board. As I said yesterday in the discussion, that is the only product we have dealt with by agreement under the Agricultural Prices Support Act up to the present. During the war we had no agreement and gave no assistance with regard to potatoes because we thought the price was sufficiently high to permit of the potatoes being marketed at reasonable returns to the producers. But this year there is an enormous crop and a situation which is more difficult to deal with, so that we entered into an arrangement whereby on the first of May we would take a certain quantity of potatoes at a certain price. I have not the price before me at the moment and I should not like to quote it from memory, but the principle is that we take a certain quantity of potatoes at a certain price.

Our information was that a month ago there were some 5,000,000 bushels of potatoes or 5,000,000 hundredweight, I am not sure which, of a surplus, and we succeeded in selling what we thought was the greater part of them at the time to the British government, to be supplied entirely from Prince Edward Island. The reason for supplying them from Prince Edward Island was that certain restrictions were placed on the deal by Britain. Since then we have been asked to advance the time at which we would take the potatoes to the first of April. Up to the present we have not advanced the time and I am not in a position to say definitely whether the time will be advanced or not. We did make inquiries as to whether we could obtain potatoes for another purpose which I do not feel free to discuss at the moment. The report I have had is that we shall not obtain the quantity of potatoes required, and so I have concluded that there were not so many surplus potatoes in the maritimes as we thought there were a month ago.

Mr. NICHOLSON: I gather from what the minister has said that there will be no surplus potatoes wasted or destroyed in the maritimes, but that the surplus will be sent to the British market.

Mr. GARDINER: Or taken under the arrangement that we made to take the potatoes left at the first of May. But what we are going to do with them, if taken, I cannot say at the moment.

Mr. MICHAUD: In view of the remarks just made by the minister, I feel that I should give him some information which I gathered over the week-end. It is to the effect that there is a tremendous quantity of potatoes along the Saint John river not being marketed. What seemed to be the difficulty was a lack of refrigerator cars, but I understand that that situation has improved. I am morally certain that an enormous quantity of potatoes is available there and I think that possibly what the minister had in mind could be filled.

Mr. GARDINER: The hon. member (Mr. Michaud) has been pressing the position on behalf of the potato growers in New Brunswick for some time. All I can say at the moment is that, as a result of reports received, we have had inquiries made and have had men trying to locate a sufficient quantity of potatoes to make possible boatload shipments which we had thought we could supply to some countries, not Britain, but elsewhere, and the report I received was that, contrary to previous reports, there was nothing like the quantities we had thought were there.

Mr. MICHAUD: I shall be glad to communicate further with the people down there and try to get definite information for the minister.

Mr. WINTERS: Would the minister say why this bill excludes apples?

Mr. GARDINER: When the bill was drafted I had the idea that it did include what those who were interested in apples had in mind. I thought it did give us the authority to make a new agreement. That was one of the things complained about during the second reading. I thought that if we had authority to make new agreements we could make a new agreement with regard to apples. In addition, section 4 (3) provides:

> The minister may direct that any agricultural product designated by him may be purchased for the purpose of this act or the Agricultural Prices Support Act, 1944, only from a provincial marketing board.

With those two authorities, one to make a new agreement and the other to purchase through the marketing board, I thought we would be able to meet the situation but I was told that it would not do so. During the war we had arrangements which necessitated getting agreements as between provinces and I was informed that there would have to be an amendment made to the bill. I have an amendment to propose to section 5 if it is desired to go ahead with the idea that we should make new agreements with regard to apples and possibly meats.

Mr. SENN: That raises another question. Has the minister under his hand the agreements now in force with Great Britain, the quantities to be delivered, the price, and the date of termination of the agreements? It would be helpful to have that information on *Hansard*.

Mr. GARDINER: I have a big file of orders here. It is quite bulky.

Mr. SENN: You have not a summary?

Mr. GARDINER: Not at the moment. I would not attempt to give the prices all the way through.

Mr. SENN: Can you give the date of the termination of the agreements?

Mr. GARDINER: I can say in general terms that we have an agreement on bacon which is in specific terms down to the end of 1948. For 1949 the price is not yet final, but the quantity, as I remember it, is the same as for 1948. The price will not be less than the price last year. It will not be less than $25 a hundred for bacon. That is the floor price. The new prices for 1949 are to be negotiated at the beginning of next year. This means that there is a contract for bacon and ham down to the end of 1949. Then there is a contract for beef, on the same principle, down to the end of 1949. There is a set price and set quantities down to the end of 1948. The beef agreement states definitely 120,000,000 pounds for 1949.

Mr. SENN: That is the minimum?

Mr. GARDINER: No; that is what we are aiming at.

Mr. SENN: They will take more?

Mr. GARDINER: They are satisfied they will take more, but they do not want to deal this far ahead with the actual price or the actual quantity they will require. They want to do that at the first of next year. The present agreement carries us down to the end of 1949. On cheese the agreement is until May 1, 1948. It is at twenty cents a pound, plus the subsidy. Whatever subsidy we are paying in that time the British have undertaken to pay. We must discuss, of course, in advance what the subsidy is to be here, and have some agreement on it. They are paying the subsidy for this year.

Mr. ROWE: Is it subject to change during the year?

Mr. GARDINER: Yes, but so far there has been only a change upward.

Mr. SENN: That is not a subsidy for quality?

[Mr. Gardiner.]

Mr. GARDINER: The present subsidy is thirty cents on milk entering cheese, and that is turned into so much per pound on cheese and is paid by the British.

Mr. SENN: They do not pay the premium?

Mr. GARDINER: The premium is paid out of the Canadian treasury.

Mr. TUSTIN: Is the minister in a position to say now that the thirty cents a hundred will be paid during the year 1947?

Mr. GARDINER: I made an announcement some time ago with regard to dairy products. Yesterday I made an announcement with regard to feed grain. We were not in a position to deal finally with dairy products until the feed grain arrangements had been made. Now they are made and we are working out the arrangement and we hope to make an announcement in connection with dairy products. I think I can say, without any fear of its not being correct, that there will not be any lowering of return; there will be a return equal to price plus subsidy.

Mr. TUSTIN: I am glad to hear that statement from the minister. I think it would be a great thing for this country, and for the production of cheese in particular, if he could make that statement so that the farmers of Ontario and Quebec, who are the great producers of cheese, could have it just as soon as possible. At the moment they do not know whether they are to receive that subsidy or not. Second, if the statement were made, they would know accordingly and would no doubt make arrangements to have their milk go into cheese products, which at the moment I do not think they are able to do.

Mr. GARDINER: If the hon. member will look at the announcement which I made yesterday, he will find that it reads as follows, as reported on page 1408 of *Hansard:*

> In any case in which a price increase or substitution of a price for a subsidy would have the effect of giving unwarranted profits to holders of stocks, such stocks will be purchased by the government at the old price and returned to the holders or sold at the new price. This procedure will make it possible to recover subsidy or prevent chance profits to the holders of stocks. I want to emphasize this point in order to discourage any hoarding in anticipation of increases in ceiling prices or withdrawal of subsidy that may take place in the future.

That was done in anticipation of the fact that we shall probably be making some increases in dairy products. That is what it was put there for; and the machinery for doing it would have to be worked out before we would announce what the position would be.

Mr. HACKETT: Will the minister say if the uncertainty as to prices has caused the great reduction in the production of cheese in the province of Quebec in the year just past?

Mr. GARDINER: I am sorry to say that I cannot agree with that, in spite of the fact that it has been repeated a great many times. A great many people are repeating that statement. I am quite sure that if the hon. member had been with me when I met the handlers of feed from Montreal last week, he would not agree that that is the only reason. I am not going to argue with him as to whether it has any effect at all on it, but the present position is that there could not be any more live stock fed. There is not the feed available with which to feed live stock to produce any more than has been produced. When you take the live stock that is produced for beef, bacon, pork, dairy products and others which have to be fed, and the birds which have to be fed for the production of poultry and eggs, there is not enough feed in Canada at the present time which can be distributed to where it is wanted to make it possible to finish the live stock we now have as they ought to be finished. Therefore it ought to be apparent that, no matter what the price situation had been, we could not have got more. The farmer who produced these products would probably have been better satisfied if he had had better prices, but there could not have been any more in total produced.

Mr. HACKETT: I should like to pursue this a little bit farther if I may. According to figures supplied from official sources, there was a very large reduction in the quantity of cheese produced in the province of Quebec. My question is: was that brought about in whole or in part by uncertainty as to the price of cheese?

Mr. GARDINER: Well, I do not think so; but it is an arguable point.

Mr. SENN: As a matter of fact, it seems to me it is brought about by the fact that the price of cheese has been too low under the British agreement. I had some figures, although unfortunately I have not them with me, to show that the twenty cents plus the premiums that are paid for quality, and the thirty cents a hundred premium or subsidy that is paid on milk, brings the price of milk which enters into the price of cheese up to only about $2.10 to the farmer; and that is the outside limit which the dairy branch here gives. That is not nearly enough to encourage the farmer in the production of milk for cheese. That seems to be the difficulty which the farmer is labouring under at the present time.

Mr. HACKETT: Is there any provincial aid included in that price?

Mr. SENN: Yes, there is in Ontario.

Mr. GARDINER: There is in Ontario but not in Quebec.

Mr. BENTLEY: A moment ago I asked the minister a question as to why he would not make a commitment, and he quite properly answered that he was not the government and could not commit the government. I accept the correction there. But in his reply he did say that the government had decided not to introduce a marketing act this year, or at least a comprehensive one. That indicates to me that the government at least had considered this at some stage in their proceedings or they would not have arrived at that decision. I am now going to ask the minister if he can tell us why the government has decided not to do that this year; not why the minister has decided not to do it, but why the government has decided not to do it.

Mr. GARDINER: The reason why the government decided not to bring it in this year was the one which I gave to the house.

Mr. JOHNSTON: Do you agree with them?

Mr. GARDINER: Yes, I agree with them or I would not have brought this bill in. The reason given was that you could not possibly handle the situation which exists this year under the type of marketing bill which we would want in Canada over a long period; and that if you had put on the statute books, in addition, any other marketing bill that we might approve at all, whether it conformed with the wishes of the opposition or not, it would only be putting a third piece of legislation on the statute books at the present time to deal with the situation. We have the Agricultural Prices Support Act which now makes it possible for us to keep a floor under any farm product, and it makes it possible for the government to do that by taking money out of the treasury. No farm organization could do that directly. The government must tax the people, take the money out of the treasury and utilize it for the purpose of doing certain things. We said, by act of this parliament in 1944—and that act is on the statute books—that we are prepared to utilize that act for the purpose of seeing to it that the farmer is not punished because he took the prices which he did take during the time we were controlling ceilings. I think that act

must stay there; at least it must stay there as long as I am in the government. I am not substituting any marketing act for it. One of the reasons for that is this. I am in agreement with hon. members on the other side of the house, and on this side too, who have said that the farmer up to the moment has not received very much from price control. His prices were held down. From the other point of view, it is true that the prices of the things he had to buy were held down too.

Mr. ROWE: Not very much.

Mr. GARDINER: But he could not buy them. They did not exist. Those of us who wanted to buy farm implements, tractors and all the other equipment which a farm needs, could not buy those items throughout the war; and up until now we have not been able to buy them in the numbers which we want to. That being the case, we did not get the full advantage of the controlling of prices downward. When it comes to textiles, any farmer member knows that does not mean as much to farmers as it does to people engaged in other occupations in this country. Farmers wear overalls, work boots and rough clothing. They dress up once a week in other clothing and their suits last a long time. It is not the same saving for a man on a farm to have textiles held down for a period as it is to some other people; but even when the farmer wanted to buy textiles he could not, and so he has now come to the period when his clothing is worn out and his implements are worn down. My contention is, therefore, that the transitional legislation ought to see him through that situation; and our bill, which we put in to take care of that situation, ought to remain on the statute books and we should not substitute anything else for it, nor should we be transferring the responsibility of the Government to some farm organzation. The government should assume that responsibility until we have got through the transitional period.

That being so, I doubt very much whether I could draft a bill or have one drafted. I know I could not draft it, but I doubt very much whether I could state the principles to someone who would draft it in legal terms clearly enough to avoid doing harm to the legislation we already have on the statute books and which, I think, must stay there for a time.

Let me say, however, that we have not been idle in that regard. I instructed my officials, not this year, but two or three years ago, that we had representations from farm organizations, just prior to the war and again during the first year of the war, to the effect that this legislation would be wanted, that all the provinces have it, and that we ought to be working on the possibility of having a bill, though not necessarily the bill that has been proposed. I do not know whether I would want to introduce a bill like that. If we could get one couched in some other terms, which would do the job more to my satisfaction and, I believe, to the satisfaction of the majority of the farmers than even the legislation which the farmers' organizations propose, then I would bring that in rather than any bill which they suggest. I do not want it understood that we have not been giving thought to the question. We have had men working on it, and after having them working on it we have come to the conclusion that, no matter what bill we might desire to bring in, we would not wish to bring it in this year, and that necessitates our giving it at least another year's consideration.

Mr. CHARLTON: The hon. member for Dauphin last night—and it has been quoted tonight—stated on several occasions that the Natural Products Marketing Act passed by the Bennett government in 1934 was as bad as or even worse than this bill now brought forward by the minister. I wish to make clear, by quoting a somewhat different section from that quoted so far, that that is not the case. First, I wish to quote from the Natural Products Marketing Act:

> The board shall, subject to the provisions of this act, exercise the powers hereinafter conferred upon it, and shall advise the minister from time to time on matters pertaining to the administration of this act and regulations made hereunder.

The draft bill as brought forward by the Canadian Federation of Agriculture contains this provision:

> The board shall, subject to the provisions of this act, exercise the powers hereinafter conferred upon it, and shall advise the minister from time to time on matters pertaining to the administration of this act and regulations made hereunder.

Are not the two identical?

Mr. GARDINER: What was the first act from which the hon. gentleman quoted?

Mr. CHARLTON: The Natural Products Marketing Act of 1934, and next from the draft bill presented by the Canadian Federation of Agriculture.

Mr. GARDINER: Pretty much the same.

Mr. CHARLTON: Yet it has been stated in the house on different occasions, and by the minister himself, that it actually gives more power to the minister than the bill he is now introducing, which is entirely untrue.

Mr. GARDINER: Oh, no. In the section just read there is pretty much the same language; but that bill gives authority, and so did the act of 1934, to go down and deal with the individual farmer and say to him, through a board, that he must deliver his product under the terms that were agreed upon by the local board plus the central board. If I remember correctly, the vote talked about in 1934 was more than a majority, probably 75 per cent, or 66⅔ per cent. The majority talked about was a two-thirds majority and not a bare majority; but, once a decision was reached, the farmer had to market his products in the way the majority wished. I say that is greater authority than is given in this particular bill, in any of its terms, to anybody to deal with the individual.

Mr. CHARLTON: That bill gave the authority to the producer groups, not to the minister and not to the commodity board.

Mr. GARDINER: The authority that went to the producer groups went from the minister through the board he set up.

Mr. CHARLTON: I have just quoted from the bill:

> The board shall, subject to the provisions of this act, exercise the powers hereinafter conferred upon it, and shall advise the minister from time to time on matters pertaining to the administration of this act and regulations made hereunder.

Advise the minister, not have the advice of the minister. Another section provides:

> All powers herein conferred upon the board for the marketing or promotion, control, regulation, or the prohibition of marketing of any natural product shall be exercised through local boards appointed as herein provided or through boards or agencies established under provincial law for similar purposes.

Mr. GARDINER: That is the 1934 act?

Mr. CHARLTON: That is the draft act.

Mr. GARDINER: Of 1934?

Mr. CHARLTON: No; that is the draft presented by the Canadian Federation of Agriculture, containing practically the same powers as the act of 1934. I will now quote from the bill which the minister has brought forward:

> The minister may establish one or more commodity boards and may authorize and require a commodity board to exercise and perform all or any of the powers and duties of the minister under section 3 of this act with reference to such agricultural products as the minister may designate, but such powers and duties shall be exercised and performed by a commodity board subject to the direction and control of the minister.

It has been said, as I pointed out before, that the Natural Products Marketing Act of 1934 gave just as much power to the governor in council as this Bill No. 25. It does not. It puts power in the hands of producer boards, or the local boards as they are called. One section was read last night by the hon. member for Dauphin, but if he had read further he would have found that the governor in council was given authority as set out in these terms:

> On recommendation of the board, the governor in council may, from time to time, establish, amend and revoke, schemes for the marketing or the promoting, regulation or prohibition of the marketing of any natural product, in interprovincial trade within Canada and in export trade, and may constitute local boards to administer such schemes, and may vest in those local boards respectively any powers considered necessary or advisable to enable them effectively to market or to promote, control, regulate, or prohibit such marketing of any natural product, in any or all respects and in whole or in part.

And listen to this:

> Such schemes may only be established when evidence has been submitted to the board that the schemes are favoured by a satisfactory proportion of producers in the area affected.

I cannot understand the position taken by the C.C.F. in connection with this legislation, because it would appear to anyone familiar with the Regina manifesto that, as it stands now, this legislation is identical with what the C.C.F. party would want. But now they come along and want the producer boards to have control. That is not state control; it is farm control. Just what do they want? The hon. member for Dauphin also turned around and suggested placing power in the elected representatives, which would mean the governor in council. Is that not state control again? Let hon. members get together. One says one thing; another says something else. Last evening the hon. member for Middlesex West said the bean growers should have a central marketing agency. I quote his words from page 1443 of *Hansard:*

> I would ask the government if it would not be possible for them to negotiate a contract with Great Britain for a five-year period for white beans, just as has been done for wheat—

And listen to this:

> —the farmers to bind themselves under a central marketing agency to fill the contract.

That is what we have been asking for all along; producer boards. Let me quote a little further from the hon. member:

> We have this market in Great Britain if only we will help ourselves, and I think the government would cooperate with us in the sale of the commodity and not leave it to the dealers.

That is the very thing we have been trying to put across.

Mr. GARDINER: May I raise a point of order. I do not want to curtail the remarks anyone may desire to make, but this is the question we discussed for two days on second reading. I raise the question now, because I am quite sure if one speech on this matter is completed others will want to make speeches in reply, and I think we should have a ruling as to whether or not that is in order. The hon. member is discussing two bills which are not before the house at all.

Mr. GREEN: If I may say something on the point of order, Mr. Chairman, it has always been the practice in this house that on the first section of the bill very wide latitude is permitted, and I suggest that that rule should be followed in the discussion of this bill. Otherwise you would be changing the course that has been followed since I have been in this house, a matter of ten or eleven years.

Mr. GARDINER: But we are never allowed to discuss some other bill.

Mr. GREEN: I came here at the same time as the Minister of Agriculture, and certainly that course has been followed ever since we were first elected.

Mr. MACKENZIE: I am afraid my hon. friend's recollection is wrong. That was done first in regard to the war appropriations, and it was very often done by consent on the estimates of the Department of Agriculture, but as far as I know, it has never been the general practice.

The CHAIRMAN: My recollection is that when a bill goes to committee without discussion on second reading, wide latitude is allowed to permit a discussion of the principle of the bill on the first section.

Mr. GOLDING: By unanimous consent.

The CHAIRMAN: By unanimous consent of the committee, but in my experience it has been the general rule that, where the bill has not been discussed in the house, then in committee on the first clause wide latitude is allowed in discussion of the principle. But where second reading of the bill has been discussed in the house, I do not recall that further discussion of the principle is permitted in committee, except by unanimous consent; and even at that it is seldom done. I would say that the principle of the bill has been accepted by the house on second reading; that question has been settled and the principle approved. We are in committee on the bill and, according to the standing order, all discussion in committee must be relevant to the clause under consideration. I did not interrupt the hon. member for Brant because a number of other hon. members had transgressed the rule and gone beyond a discussion of the clause under consideration, but might I suggest to the hon. gentleman that he curtail his remarks as much as possible in order that we may get down to a discussion of the bill clause by clause.

Mr. GREEN: It is a funny thing that these objections are always raised when an opposition speaker has the floor. Through you, Mr. Chairman, I would suggest to the minister that we are getting along quite nicely with this bill, and I believe the hon. member should be allowed to go ahead with his remarks. He is not in the habit of taking a great deal of the time of the house; he knows what he is talking about, and I believe he should be permitted to continue.

Mr. GARDINER: The only discussion that has taken place from this side of the house has been my effort to answer questions asked from the other side, and by one member from this side. I only want to say I have no objection, and I do not think the Chairman would have much objection, to a discussion of this bill; but surely we are not going to have another discussion of the bill which was proposed last evening and defeated in this house.

Mr. GREEN: No bill was defeated.

Mr. GARDINER: The amendment which was defeated last evening proposed the bill which the hon. member has been discussing. He has been discussing a general marketing act, and the bringing of that in this session was defeated last evening.

Mr. MacNICOL: During the time I have been here, which is five years longer than either the Minister of Agriculture or the hon. member for Vancouver South, or yourself, Mr. Chairman, it has been the custom that on the first section of the bill very wide latitude has been allowed in discussion. I think we shall make more progress in that way, and I suggest that you allow the hon. member fairly wide latitude in saying what he believes is relevant to the first section of the bill.

The CHAIRMAN: I believe I have allowed very wide latitude so far, but I think the time has come when we should be discussing the bill clause by clause. As the minister has said, if one speech is allowed to be delivered on matters outside the provisions of this bill, other similar speeches will be thereby provoked, and we shall never get down to a consideration of the bill itself.

Mr. CHARLTON: I was only endeavouring to answer accusations against this party which were made during the debate. I had spoken on second reading after the amendment was moved by the C.C.F., so that it was impossible for me to speak again. Therefore my only opportunity to answer those accusations was when the bill came up in committee of the whole. I am sorry if I have done anything against the rules, but apparently my remarks were having some effect.

Mr. GARDINER: Oh, no; it is not a matter of having any effect; it is a matter of trying to get through with our work.

Mr. CHARLTON: I was just going to read one more quotation from the speech of the hon. member for Middlesex West. Still referring to the beans, he said:

> Why should the state not handle this? After all, they are only the representatives of the country. We are a democratic country and, if we are not satisfied with the government that is in power, we have our redress at the next election because we can turn them out.

All I have to say in reply to that statement is that I am afraid it is not always the good fortune of farming or urban constituencies to be represented in this house by a man of the calibre of the hon. member for Middlesex West. If it were businessmen who were quite capable of handling the marketing of various products, and who were representatives in the house, I would say that probably it would be all right. But are not the members of producer boards infinitely better qualified to handle this than are most members of parliament? I believe so.

The amendment as suggested by the minister was brought forward under the assumption that it was the only group in Canada qualified to handle the problem. I just wish to point out that the Ontario apple growers are not represented or are not organized under the provincial marketing act of Ontario. I am not saying they would not be happy; in fact, I believe they would be very happy to let the British Columbia and maritime growers speak for them. But on the other hand, if that were true—and I believe it would be—would if not be possible for the Ontario hog producers, who have an organization some 31,000 strong, to speak for some of the other provinces which are not organized?

The minister made the statement that it would be utterly impossible to carry out these food agreements without this legislation. I contend that is utter nonsense, because it could be carried out. That is all I care to say at the present time.

Section agreed to.

Section 2 agreed to.

On section 3—Minister may sell or export agricultural products.

Mr. CHARLTON: Would it be possible to let section 3 stand, until we have discussed section 4?

Mr. GARDINER: If the hon. member wants to cut these two things out, I could cut them out by adding one word in section 3.

Mr. CHARLTON: I am not suggesting that it be cut out. But I think it would be better to let section 3 stand until section 4 is carried.

Section 3 stands.

On section 4—Commodity boards.

Mr. ZAPLITNY: Provision is made in section 4 (1) for the minister to establish one or more commodity boards. The word "may" is used before the word "establish" which makes it permissive rather than obligatory. Then, further down, so far as I can see there is no provision made for any producer representation on the boards so named. I believe the representations made here were fairly unanimous to the effect that the producers concerned should have some control of or at least some say in the manner in which their products should be handled. Therefore I would move this amendment to section 4 (1):

> That subsection 1 of section 4 of said bill be deleted and the following substituted therefor:
> "(1) The governor in council shall establish one or more commodity boards with adequate producer representation and may authorize and require a commodity board to exercise and perform all or any of the powers and duties of the minister under section 3 of this act with reference to such agricultural products as the governor in council may designate; but in the exercise of such powers and duties a commodity board shall be subject to the direction and control of the minister."

The changes are two in number. First the word "may" is replaced by the word "shall", which makes it mandatory that the minister shall appoint the boards. The second change, and the one I consider most important, is that the words "with adequate producer representation" are included in the subsection. In this way it appears to me we shall be combining ministerial responsibility with producer representation on the boards. I believe the acceptance of this amendment would meet the wishes of all hon. members.

Mr. GARDINER: I do not want to go back over the old argument about the use of the words "may" and "shall", although I believe the last argument ended to the effect that "shall" is not used to make the requirement obligatory on the government, I believe that was agreed to by the hon. member for Lake

Centre at the time we discussed it before. I do not want to open up the argument again, but I can say that we have all the boards now. We have a meat board; we have a dairy board, and we have a special products board which covers all farm products in Canada. I do not know what other boards the committee would want to make me appoint. They are appointed, and we have been carrying on under them since 1939. I am quite sure we shall not change it.

Mr. BURTON: Then why has the minister this subsection in section 4 which states that the minister may establish one or more commodity boards, and may authorize certain things? If his explanation is the correct one, why did he not have a provision to the effect that the minister may make use of the boards already established?

Mr. MACDONNELL (Muskoka-Ontario): That is the very thing you are asking.

Mr. BURTON: I suggest that the amendment offered by the hon. member for Dauphin is quite to the point. I recall well, as do other hon. members, the arguments which took place as to whether "may" should be "shall", or "shall" should be "may". But we have thought it would be more suitable to have "shall" in here.

However we are more concerned about the other part of the amendment, where it is stated that there shall be adequate producer representation. I submit this is a perfectly good amendment, and the minister should consider it.

Mr. GARDINER: In answer to what has been said, may I point out that the preamble states:

> And whereas certain orders and regulations were made by the governor in council under the authority of the War Measures Act and the National Emergency Transitional Powers Act, 1945, for the purpose of enabling Canada to carry out the said agreements; and whereas the said orders and regulations will expire on the 31st day of March, 1947. . .

And so on. They will expire, and the minister must have authority to reappoint on April 1. It will be the same boards, although there may be occasional changes in personnel. Persons may be dropped here or there. But I am sure that the president of the farm organization will agree that they have been consulted, that they have their representation on the advisory boards and that they prefer to have it in that way. I, myself, offered them the chairmanship of one of the boards, or the chairmanship of the advisory board, whichever they wished. They chose the chairmanship of the advisory board. No later than this morning the president of the farm organization was in my office arranging to have a meeting of the new advisory board in the first week after Easter. It advises us on all these things. Perhaps "advisory committee" would be a more exact term. It was their preference to be on that particular part of the organization.

We simply say here that we will reappoint the different boards we have had. We have authority under section 4 (3) to utilize the apple board or any other provincial board. We intend to take the apple board as the operating or administrative body to do that job.

I may say to hon. members of this committee something which they probably do not know. Statements have been made that the apple board had negotiated a contract with Great Britain, but the fact is that the apple board have been refused a contract with Great Britain on their own negotiations. I do not know whether we can resurrect it or not. After all, we must do business with our customer in the way our customer wants to do business, not just the way we want to do it. The British people do not want apples from Canada this year, and that is the position in so far as the British themselves are concerned.

Mr. MacNICOL: Why?

Mr. GARDINER: Because there is more food value when the same amount of money is spent on salmon or something else. They are short of food and they are short of money.

Mr. ROWE: It is not because of the board?

Mr. GARDINER: No; the government has lent them money and the government will go to them and say, "Look, this is causing some trouble in a certain part of Canada. This may be something that you desire to do." The question raised by them is which is best for the British people. Their argument at this time is that it is better to have food that is absolutely essential. They consider that better than to have apples which could be put in the stores with no points attached to them. The argument may be advanced that it would raise the morale of the people to be able to buy apples, but then there is the other argument that there is more food value in the salmon. Probably we could do with more salmon ourselves and dispose of some of our apples.

We go back to the British government and say, "After all, there is some money being lent by Canada to Great Britain." We do not need to say that; they know it. We say,

"It would be to the advantage of our people if you took some apples." I think we could argue that to better advantage than the apple people themselves and I think they realize it. We would have the board there to supply us with the apples, but they know we can make a deal more satisfactorily than they can. They come to us and ask to have something put in here so that we can go ahead and make a deal.

Mr. ROWE: Does the minister mean to imply that the government of Britain wishes to deal with the government here in preference to any producer board?

Mr. GARDINER: I am not implying that at all; I am simply saying that the British government, through their representatives, have written to the apple board and suggested that they have not sufficient Canadian dollars with which to buy the other commodities they want to buy and also buy apples. They have said that, through the negotiations and to get around a condition of that kind, the negotiations will be done by the government. The apple people realize that and that is why they want us to take it on.

Mr. ROWE: They do not want apples from the producer board but you can make a deal which will make them take the apples?

Mr. GARDINER: If it is possible the British people want to do things which will help Canada. If they can do something that will help us, they prefer to do it. In the first year of the war they did not take any apples. In the second year they did not want to take any, but we went to them and said that our farm producers just could not get by without selling some apples. In order to keep the industry in existence, the government was prepared to put them in cans and send them to Britain. We did that the first year. Then we dried some of them and sent some to Finland when Finland was supposed to be fighting on our side. We got rid of part of our apples the first year.

The next year we went to the British and said, "Can you take more of these apples?" They said, "We would like to because, if we can put a few apples in our homes, it will improve the morale of our people". Then we started talking about how they were going to finance it and we finally reached the position where we helped the British to finance it. As is known in the committee, we gave them a billion dollars one year and then we lent them a billion dollars.

Mr. ROWE: Not all to buy apples.

Mr. GARDINER: They bought apples with some of it nevertheless. These things have been going on for some years. The British representatives come in and talk about it. The position is that some of them feel it would be better to buy apples, while others feel it would be better to buy something else. We will consider our position and then say, "We just have no market for apples elsewhere and we think that probably everybody would be better served if you could take some apples". Discussions finally end up where everybody is satisfied.

Mr. SENN: This amendment raises the point I have complained about more than once, that there is no producer representation on these three principal boards which are handling the products going to England. I notice that there is a representative of the packers on the meat board, while on the dairy products board there is a representative of some of the shippers. The minister stated tonight, and he stated once before, that something in the way of membership on one of these boards had been offered to the Canadian Federation of Agriculture. I think he was correct in saying that they had refused, but the reason for their refusal is not what the minister conveyed to the committee. They refused because the federation of agriculture did not want their representatives to be in the pay of the federal government. They would then not be free agents to act in their capacity as officials of the Canadian Federation of Agriculture.

Mr. GARDINER: That is the reason I gave to the house before.

Mr. SENN: I did not hear you say that.

Mr. GARDINER: It is all in *Hansard* and you can read it.

Mr. SENN: I did not hear it.

Mr. GARDINER: It was not this year; it was when it happened. You will find in *Hansard* that the president and I discussed it.

Mr. SENN: The minister says that it was discussed, but I have no recollection of his giving that as the reason.

Mr. GARDINER: I think that is possibly where you got your information as a matter of fact.

Mr. SENN: No, I got my information from an entirely different source. It is a reasonable request that has been made by the hon. member who introduced this amendment, that there should be producer representation on these boards.

Mr. GARDINER: The statement that there is no producer representation on the boards

is just along the lines of the discussion that took place between the president of the farm organizations and myself. Anyone who was a farmer at one time and is taken into the government service on a full-time job ceases to be acknowledged as a farmer representative after he is here for three or four years. If that is the basis upon which the statement is made that there is no farm representation, then it is correct. But if you take some of the members of these boards and go back to when they started you will find that they started as farmers. Mr. Taggart is chairman of the agricultural prices support board. He started as a farmer. Then he was a farm representative in Ontario. Next he was a teacher in an agricultural school in Alberta. Next he ran an experimental farm for us at Swift Current. Then he was minister of agriculture of Saskatchewan. Following that, he was chairman of the meat board. Mr. Taggart has been working with farmers all his life, but many people would say that he is a long way from the plough, that he is not a farmer. Now he has been put on as chairman of the agricultural prices support board.

The other two men who have been taken on that board are both farmers; they are both operating farms. One of them happens to be the secretary of the dairy association in Ontario, but he still operates a farm. The other is a farmer in Quebec who still carries on his farming operations. So that the board is actually made up of farmers. I could take you through the other board and point out pretty much the same thing.

Mr. SENN: Then there should be no objection to the suggestion.

Mr. GARDINER: There are representatives on now.

Mr. BURTON: I do not wish to get into a discussion of personalities, but at the same time I think certain statements the minister made need answering. He referred to Mr. Taggart as the chairman of the meat board. Anything I have to say of Mr. Taggart is not of a personal nature. While Mr. Taggart in all probability was on a farm at one time, certainly he is not what is designated here as a representative of the producers.

Mr. GARDINER: That is what you would say about anyone we chose.

Mr. BURTON: In drafting this amendment we tried to keep away from tying the minister down too tightly, which would give him an opportunity afterwards to complain. What we had in mind was that the representation on that board should be acceptable to the organized producers of the commodities being controlled by the board. That is what we meant by adequate representation, that if they were not actual producers themselves at the time, they would still be acceptable as representing the organized farmers raising any given commodity. In the light of that, I think the amendment is right to the point.

Mr. McMASTER: I would ask the minister why the Agricultural Prices Support Act is referred to in subsection 2 and 3, and whether he has considered that, by so doing, the act may be declared unconstitutional in view of what happened to the Natural Products Marketing Act of 1934, which was declared unconstitutional by the Supreme Court of Canada and by the privy council.

Mr. GARDINER: There is authority in the Agricultural Prices Support Act for setting up commodity boards, and that act has been declared intra vires. This bill simply says that if we have a board set up under the Agricultural Prices Support Act we can use it in administering this act. The same is true of subsection 3 with regard to any boards that may be set up by farmers themselves.

As to the amendment, I have not had time to read it carefully because I have been listening to the discussion, but I am quite sure that in practice it would not change the situation at all. The only objection I have in submitting the amendment to the committee is that these bills are carefully drafted by experienced draftsmen, and I cannot say at the moment whether the wording of the amendment would affect some other section in some way that has not been considered. The only way in which I could consider it would be to let the amendment stand until I have had an opportunity of discussing it with the officials. There is no possibility of my accepting it now, and if a vote on it were taken tonight we would have to vote it in or out.

Mr. ZAPLITNY: It is quite agreeable to me to let the amendment stand over for consideration by the minister.

Mr. STEPHENSON: The minister gave the house the impression that the British government did not want to deal with the apple growers.

Mr. GARDINER: No.

Mr. STEPHENSON: You said that.

Mr. GARDINER: I am not going to have words put into my mouth. What I said was this. The apple growers have already been refused an agreement. I did not say that they did not want to deal with them.

Mr. STEPHENSON: They have been refused an agreement to sell apples to Great Britain.

Mr. GARDINER: The British government have, by letter to the apple growers board, indicated that they do not desire to buy apples from Canada this year.

Mr. STEPHENSON: You say they do not want to buy apples this year? The impression you gave was that they would not purchase from the board.

Mr. GARDINER: I did not say any such thing.

Mr. STEPHENSON: That was the impression left.

Mr. GARDINER: It was not the impression intended to be left. You are not thinking straight.

Mr. ROWE: I got the same impression, and the minister cannot wisecrack it off by saying that the hon. member is not thinking straight. He is thinking just as straight as the minister himself. The minister should clear up that point.

Mr. GARDINER: I have cleared it up. The suggestion is absolutely wrong.

Mr. ROWE: The minister left the impression that the apple producer board had been refused an agreement with Britain this year. Then he went on to say how the government had talked with the British, and evidently the apples tasted a little sweeter because they were going to be dealt with through some new-fangled board for which the minister was responsible.

Mr. GARDINER: The apple producers asked us to take the matter up with the British government and we have done so.

The CHAIRMAN: I understand that subclause 1 of clause 4 stands? Does subclause 2 carry?

Mr. FULTON: The minister indicated on the second reading that he was prepared to move an amendment to section 5. The purpose of the amendment, as I understand it, was partly at any rate to provide that dealings in apples would be carried on through some sort of board. I am wondering whether the amendment which the minister said he would propose to section 5 will have any bearing on subsection 2 of section 4. If so, would it be acceptable to him for the whole of section 4 to stand over until we can consider the amendment he intends to move to section 5?

Mr. GARDINER: There is no need for section 4 to stand on that account. Subsection 3 of section 4 is a general provision which says:

> The minister may direct that any agricultural product designated by him may be purchased for the purpose of this act or the Agricultural Prices Support Act, 1944, only from a provincial marketing board.

That could apply to other things. It was intended to apply to apples, but I thought it should be there whether we deal with apples or not.

Mr. LOW: It was on that section that I should like to say just a word and perhaps move an amendment which the hon. minister may wish to study until tomorrow, as he has indicated it is his desire with respect to the amendment proposed by the hon. member for Dauphin. Last night I mentioned that it was our desire to see the minister recognize the producer marketing boards as a source of supply. We realize, too, that there are not many marketing boards or producer boards in Canada. In Ontario I think there are only about ten. My advice is that there is only one in operation in Alberta and, in British Columbia, perhaps only two, and so it goes. But wherever they do exist, it seems to me that the minister should direct that the materials which he wishes to purchase for his commitments abroad should be purchased through these producer boards, or, in the alternative, from the provincial marketing boards. We feel that, wherever recognition can be given to these producer boards as sources of supply, it should be given, because it encourages them and helps to keep some control of the price right at the source of the product itself. Therefore I am going to move, seconded by the hon. member for Camrose:

> That clause 3 of section 4 of the bill be deleted, and the following be substituted therefor: "Wherever producer marketing boards exist the minister shall direct that any agricultural products required by him for the purposes of this act or the Agricultural Prices Support Act, 1944, shall be purchased from such producer marketing boards or from provincial marketing boards."

Mr. GARDINER: Why put the minister in at all?

An hon. MEMBER: Why not?

Mr. LOW: I did not hear the minister's question.

Mr. GARDINER: If you say "they shall be purchased", and if it is the desire to have the act say that, the minister does not need to have anything to do with it.

Mr. FULTON: That might not be a bad idea.

Mr. LOW: The minister, either by himself or through some agency which he designates, must purchase the products required to fill these agreements. Is that not so?

Mr. GARDINER: We shall take that amendment under consideration until tomorrow.

The CHAIRMAN: Clause 4 will stand.

Mr. JOHNSTON: As subsection 3 stands in the bill, it says "the minister may direct." There has been some argument in this house in the past as to whether or not the words "may" and "shall" are interchangeable in the legal sense.

Mr. GARDINER: We had that argument tonight while you were out, apparently.

Mr. JOHNSTON: I did not hear that part of the discussion. Maybe the minister could assure me that they are not interchangeable. Are they interchangeable?

Mr. GARDINER: I shall bring along with me tomorrow the opinion that was given to me by the Clerk of the House after we had discussed this matter before, which was taken from the best authorities there are, and which was to the effect that I was right before. I shall bring it along again tomorrow, if it is the desire to go over that argument again. Every leader of the opposition over the last twelve years since I have been in the house has finally agreed that the decision was right. The legal adviser of the present opposition agreed, the last time we discussed it, that it was right.

Mr. JOHNSTON: That the words are interchangeable?

Mr. GARDINER: That "may" is the word used when a government is being directed. They mean the same thing.

Mr. HERRIDGE: Before we go on from section 4, I should like a little explanation of subsection 3 where it uses the terms "only from a provincial marketing board." In British Columbia we have a provincial marketing board which is an over-all, more or less regulatory board, controlling to some extent the actions of the other boards if they are against the common interest. In addition, we have a fruit marketing board and vegetable marketing boards. Which of those boards is indicated in the term "provincial marketing board"? Our provincial marketing board really only performs certain general functions, and has nothing to do with direct marketing.

Mr. GARDINER: It is with a small "p", a provincial marketing board. There may be a dozen in one province dealing with different products.

[Mr. Fulton.]

Mr. PEARKES: Might I ask one simple question. Is there a definition of agricultural products? I should like to know whether honey is included.

Mr. GARDINER: The definition is at the top of page 2, section 2 (a) which reads:

"Agricultural product" means any product of agriculture, except wheat, and includes "feeding stuff" within the meaning of the Feeding Stuffs Act, 1937.

Mr. PEARKES: Would that include honey?

Mr. GARDINER: Yes, I think so.

The CHAIRMAN: Clause 4 stands. Shall clause 5 carry?

Mr. BURTON: The minister was going to move an amendment.

Mr. GARDINER: There is a new clause 5. Since clause 3 and clause 4 are going to stand, Mr. Chairman, I think we had better allow clause 5 to stand also.

Progress reported.

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

Wednesday, March 19, 1947

The house met at three o'clock.

PRICES AND TRADE BOARD

RESIGNATION OF DONALD GORDON AS CHAIRMAN—APPOINTMENT OF K. W. TAYLOR

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to make a brief statement regarding the chairmanship of the wartime prices and trade board which, because of its importance and interest, I have felt should be given in the first instance to parliament.

After five and a half years of service as chairman of the wartime prices and trade board, Mr. Donald Gordon has asked to be relieved of his duties in order to return on a full time basis to his position as deputy governor of the Bank of Canada. The recent appointment of Mr. Graham F. Towers as Canadian executive director of the international bank for reconstruction and development lends a certain urgency to Mr. Gordon's request.

The government, after careful consideration, has reached the conclusion that plans for the orderly decontrol of prices are sufficiently

advanced to make it possible to meet Mr. Gordon's wishes without the public interest being adversely affected. Mr. Gordon's resignation has accordingly been accepted to take effect on April 15. He will be succeeded as chairman of the wartime prices and trade board by the now deputy chairman, Mr. Kenneth W. Taylor. Mr. Taylor has been with the board since its establishment in 1939.

I should not like the acceptance of Mr. Donald Gordon's resignation to pass without expressing the government's deep appreciation —which I am sure will be shared by hon. members of both Houses of Parliament—of the exceptional contribution made by Mr. Gordon, as chairman of the prices board, to the effective economic mobilization of Canada's resources during the war and, since the termination of hostilities, to an orderly transition to a peacetime economy in our country.

The success of Canada's campaign against inflation during the war and in its subsequent control owes very much to the untiring devotion, integrity and courage displayed by Mr. Donald Gordon in the discharge of the arduous duties of chairman of the wartime prices and trade board. I feel I may speak for the Canadian people as a whole when, at this moment of his retirement, I express to Mr. Gordon our thanks for the invaluable service he has rendered our country at a time of its greatest need.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not think this occasion should be allowed to pass without someone on this side of the house associating us with what the Prime Minister (Mr. Mackenzie King) has said. I feel that Mr. Donald Gordon has been subjected to a great deal of criticism and sometimes we felt that the criticism might have some basis. However I believe the whole country has been well served by the job Mr. Gordon has done, and I am pleased to associate this group with the expression of appreciation voiced by the Prime Minister.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

RAW CANE SUGAR—PURCHASE PRICE

Mr. BLACKMORE:

1. During the period between September 1, 1945 and August 31, 1946, what was the total purchase price in Canadian funds paid by Canada f.o.b. export port, for 96° raw cane sugar from each of the countries from which Canada imported raw cane sugar during that period?

2. In the case of each country exporting such sugar to Canada, what was the average price per 100 pounds, f.o.b. export port, paid in Canadian funds, by Canada, for 96° raw cane sugar?

Mr. MAYHEW:

1. The records of the sugar administrator are not set up to supply the information in the manner in which the question is asked. The records are not segregated according to countries from which importations are made, nor ports in Canada where shipments are landed.

The total purchase price in Canadian funds paid by the sugar administrator during the period September 1, 1945 to August 31, 1946, was $30,447,828.11.

2. The same statement made in the first part of answer No. 1 also applies to this question.

The average price per 100 lbs. c.i.f. Canadian ports during the period September 1, 1945 to August 31, 1946, was $4.2301. It is impossible to give the average f.o.b. price for each country but roughly, sugars coming under the British preferential tariff cost approximately $3.47 per 100 lbs., f.o.b.; full duty sugars (Cuba and Santo Domingo) $3.67½ per 100 lbs., f.o.b.

RAW CANE SUGAR

Mr. BLACKMORE:

1. During the period between September 1, 1945 and August 31, 1946, inclusive, how many pounds of 96° raw cane sugar did the sugar administration sell to the Canadian cane sugar refineries?

2. During the same period, what did the cane sugar refineries pay to the sugar administrator for these 96° raw cane sugars (a) in total; (b) in average per one hundred pounds?

3. During the same period, what was the profit or loss on these operations as gained or sustained by the sugar administration (a) in total of these operations; (b) in average per one hundred pounds of these operations?

Mr. MAYHEW:

1. The sugar administration sold to Canadian sugar refineries during the period September 1, 1945 to August 31, 1946, 705,191,534 lbs.

2. The Canadian sugar refineries paid during the year September 1, 1945 to August 31, 1946:

(a) a total of $29,743,860.41;

(b) an average of $4·2178 per 100 lbs.

3. The operating loss in sugar for the period September 1, 1945 to August 31, 1946, was:

(a) a total of $233,834.90;

(b) an average of ·0325 cents per 100 lbs.

Other revenues resulted in the sugar administration operating at a profit of $287,951.35.

HOUSING—VETERANS' LAND ACT—HASTINGS COUNTY, ONTARIO

Mr. WHITE (Hastings-Peterborough):

1. How many homes were built under the V.L.A. in the county of Hastings?
2. What is the total cost of each home constructed under the V.L.A. in this area?
3. Who was the contractor or contractors for this area?
4. What is the present proposed sale price of each home in this area?
5. What was the original price asked in each case?
6. How many homes have been sold to date and what is the price in each case?
7. What was the cost per unit of project overhead and how was the same made up?
8. Have any veterans made deposits on proposed purchases and later declined to proceed with the purchase of such holdings? If so, by whom and why were said deals not completed?

Mr. TUCKER:

	Subdivision Project	Individual Contracts
1.	Eight.	Seven (under construction)
		Construction contract prices
2.	Final costs cannot be determined until completion of audit by cost audit division of treasury dept. Sale prices have been fixed under section 21 of the Veterans' Land Act and order in council P.C. 1278 of April 2, 1946, which authorized an adjustment to reasonable sale value.	$5,999 4,800 4,700 5,200 4,900 4,900 6,000
3.	Frontenac Construction Company.	Five by the veterans concerned. One by White Lumber Company, Belleville, Ont. One by J. Goodfellow, R.R. No. 7, Belleville, Ont.
4.	Two at $6,120; two at $5,880; two at $5,796; one at $5,396; one at $5,256. These prices do not include the following charges: Roads, $35 per house; drainage, $50 per house; water, $250 per house; drives, $75 per house; land, $43.50 or $60 per house depending on location.	Contract prices plus cost of land.
5.	Same as selling price.	
6.	All sold at prices indicated in No. 4.	No houses completed
7.	$586.21 made up as follows: Pro-rata supt. salary ..... $ 381 25 Office staff ..... 1,350 80 Watchman's salary ..... 2,782 80 Temporary building ..... $349 85 Less material reclaimed 175 00 174 85 $4,689 70	
8.	No.	No

RAW CANE SUGAR—TRANSPORTATION CHARGES

Mr. BLACKMORE:

1. During the period between September 1, 1945, and August 31, 1946, what was the total cost in Canadian funds of freight, insurance and other transportation charges from port of export to Canadian sea board, of the 96° raw cane sugar imported by Canada from each of the countries from which raw cane sugar was imported by Canada?

[Mr. Mayhew.]

2. In the case of each of those countries what was the average total of such transportation charges per 100 lbs. of 96° raw cane sugar imported into Canada during that period?

Mr. MAYHEW:

1. The records of the sugar administrator are not set up to supply the information in the manner in which the question is asked. The records are not segregated according to

countries from which importations are made, nor ports in Canada where shipments are landed.

The total transportation cost paid by the sugar administrator in Canadian funds, during the period September 1, 1945 to August 31, 1946, was as follows:

Freight—	
Ocean	$3,326,750 62
Rail	569,056 00
	$3,895,806 62
Insurance	59,111 61
	$3,954,918 23

2. The statement made in the first part or answer No. 1 also applies to this question.

The average transportation cost per 100 lbs., paid by the sugar administrator in Canadian funds, during the period September 1, 1945 to August 31, 1946, was as follows:

Freight—	
Ocean	·46218
Rail	·07905
Insurance	·00821

ORDNANCE CORPS—SPECIAL DISTRIBUTION DEPOT, HALIFAX

Mr. BLACK (Cumberland):

1. What was the date of the last stock taking in each vocabulary section at the special distribution depot, Royal Canadian Ordnance Corps, Halifax, Nova Scotia?

2. Were any shortages found and, if so, what was the total number of items found short and the value of same?

Mr. LAPOINTE:

1.

Vocabulary section	Date of last completed stocktaking	Date of further stocktaking not yet finalized
Clothing A, B, C, D	Sept. 3, 1946	.....
1A, 2A, E	July 23, 1946	Jan. 17, 1947
B-1, B-2, B-3, C-1, C-2, C-3	June 18, 1946	Feb. 6, 1947
1D, 2D	Oct. 22, 1946	.....
E-1, E-2	Oct. 8, 1946	.....
E-3, E-4, E-5	Dec. 19, 1946	.....
1F, 2F, 3F	Oct. 10, 1946	.....
1G, 2G, 1H, 2H	Dec. 17, 1946	.....
1J, 2J	Aug. 1, 1946	Jan. 24, 1947
J-3, J-4	Nov. 12, 1946	.....
K	Oct. 30, 1946	Jan. 24, 1947
LV 7 CR	Oct. 15, 1946	.....
LV 7 GL	Dec. 6, 1946	.....
LV 7 FD	Dec. 12, 1946	.....
LV 7 HD, UC, 5 Cwt	Jan. 9, 1947	.....
M-1, M-2, M-3	Sept. 6, 1946	.....
M-4	Sept. 6, 1946	.....
N-1, N-2, N-3, O	Sept. 24, 1946	.....
P-1, P-2	.....	Jan. 16, 1947
V-1, V-2, V-3, V-4, V-5, V-6	.....	Nov. 28, 1946
W-1, W-2, W-3, W-4, W-5	Oct. 24, 1946	.....
X1, 2Y	.....	Dec. 3, 1946
Z-1, Z-2, Z-3	Aug. 20, 1946	.....
Charlottetown sub depot	Aug. 17, 1946	.....
Debert—Articles in use (A-in-U)	Dec. 19, 1946	.....
Debert—Ammunition	July 15, 1946	Feb. 25, 1947
Debert—Deposit stock	.....	Dec. 19, 1946
Debert—Vehicle and stowage tools	Mar. 28, 1946	Feb. 28, 1947
Halifax—A-in-U	Nov. 5, 1946	.....
Halifax—Returned stores section and produce	Aug. 22, 1946	Feb. 18, 1947
Halifax—Spare parts, technical stores	Aug. 29, 1946	Feb. 11, 1947
Johnstown—A-in-U	Nov. 15, 1946	.....
Johnstown—Ammunition	Nov. 5, 1946	.....

2. Yes. The difference between stock records and count showed a net deficiency of 3,809 articles made up of deficiencies of 7,997 articles and surplus of 4,188 articles. The difference in value between deficiencies and surpluses shows a credit of $1,792.30. Considerable rewarehousing has taken place in Halifax area and further stocktakings have been made or are in process to complete investigation of discrepancies.

SUGAR

Mr. DIEFENBAKER:

1. Has the allocation of sugar for 1947 to Canada, the United Kingdom and the United States been settled by the international emergency food council and, if so, what are the respective allocations of the three countries named as compared to 1946 (a) as to total; (b) on a per capita basis?

2. What proportion of Canada's 1947 allocation is (a) from British West Indies; (b) from Cuba; (c) from Santo Domingo; (d) imports from other sources; (e) domestic beet sugar?

Mr. MAYHEW:

1. (a) Yes. Respective allocations for Canada, the United Kingdom and the United States for 1946 and 1947 are as follows:—

Total allocations (short tons raw value)

	1946	1947
Canada	504,000	611,000
United Kingdom	2,081,000	2,473,000
United States	5,597,000	6,800,000

(b) Per capita (raw value)

	1946 lbs.	1947 lbs.
Canada	76	93
United Kingdom	76	93
United States	76	93

2. Sources of Canada's 1947 allocation

	per cent
British West Indies	39
Cuba	15
Santo Domingo	13
Fiji	8
Undesignated imports	7
Domestic Beet Sugar	18

CANADIAN NATIONAL RAILWAYS—LANDS AND PREMISES, HALIFAX CONSTITUENCY

Mr. TIMMINS:

1. What is the total valuation of all lands and premises owned by the Canadian National railways in the constituency of Halifax?

2. Does the Canadian National railways pay any municipal taxation in respect of any of these lands and premises?

3. If so, on which lands and premises?

4. If not, which lands and premises are exempt from taxation, and on what basis are they exempt?

[Mr. Lapointe.]

5. Are lands and premises owned by the Canadian National railways which previously were part of the Intercolonial railway in any different status from the point of view of municipal taxation than other lands and premises, in other parts of Canada, owned by the said railway which did not form part of the Intercolonial system?

6. If so, what are, in detail, the reasons therefor?

Mr. CHEVRIER: The same objection pertains with reference to this question, except there is an additional factor involved. The information involved in answering the question is now the subject of litigation, in other words the matter is *sub judice*. It is the feeling of the railway that they should not be required to give this information at this time, and I wonder if the hon. gentleman would be kind enough to consent to its being withdrawn.

Question dropped.

RESERVE ARMY—CAVALRY, ARMOURED REGIMENTS, ETC.

Mr. PEARKES:

How many (a) regiments of cavalry; (b) armoured regiments; (c) tank regiments; (d) artillery regiments; (e) infantry battalions, were there in the N.P.A.M. on January 1, 1939, and how many are there in the reserve army now?

Mr. LAPOINTE: The hon. member has agreed to withdraw this question, and I have undertaken to give him the information personally.

Question dropped.

CANADA-WEST INDIES STEAMSHIP SERVICE

Mr. ISNOR:

What is the approximate date on which the C.G.S. *Lady Nelson* and *Lady Rodney* will resume service between Canada and the West Indies?

Mr. CHEVRIER: The Canadian National Railways hope to have the *Lady Nelson* ready for service late in June, and the *Lady Rodney* early in June.

HOUSING—VETERANS LAND ACT—BRANTFORD

Mr. CHARLTON:

1. Was the contract for doing the landscape work at the Veterans' Land Act housing project at Brantford let by tender?

2. If so, from whom were tenders received and what was the amount of each tender?

3. What was the name of the contractor that received the contract?

4. Was the contract completed?

5. How much did the contractor receive?

6. Was the veteran owner charged anything for this landscape work?

7. If so, how much was he charged?

Mr. TUCKER:

1. Yes.

2. F. H. Heidner—evergreen nurseries—$100 per unit. At least six other individuals or firms thought to have been in a position to enter into a general contract were contacted, but were not interested at the price the department was prepared to pay.

3. F. H. Heidner—evergreen nurseries.

4. No.

5. $40 per unit, making a total of $800 for work done in this sub-division. Nursery stock was purchased separately from Brookdale Kingsway Ltd.

6. Yes.

7. $145 is included in the purchase contract to cover work done by contractor and cost of nursery stock. The portion unexpended will be credited to the veteran.

SUGAR ADMINISTRATION—REVIEW OF OPERATING RESULTS

Mr. WINKLER:

1. Did the sugar administration send an accountant in October, 1946, to all beet sugar companies in Canada to review the respective growers operating results in 1942, 1943, 1944, and 1945?

2. If so, what was his name and address?

3. What were his qualifications and was he a chartered accountant?

4. What was his occupation during the past ten years?

5. Had he any previous knowledge of beet farming or of the beet sugar industry?

6. In connection with imports of cane sugar, was he commissioned to review the operations of cane sugar refineries in the same period?

Mr. MAYHEW:

1. Yes.

2. Mr. W. R. Dawson, 3940 Cote des Neiges Road, Montreal, P.Q.

3. Mr. Dawson is a chartered accountant. He was fully qualified to report on the following terms of reference:

(1) A critical examination of the financial statistics furnished by the beet sugar companies;

(2) A detailed study of their costs with comparative costs running back to 1942;

(3) An attempt to project their costs and operating results against the possibility of operations, in the case of the Ontario and Manitoba companies, at approximately the rated capacity of the factories (this was not necessary for the Alberta company who were already operating above rated capacity);

(4) An accurate study of the proportion of the value of the crop, including molasses and beet pulp, which accrued to the factories as compared to the growers;

and to obtain information:

(5) Regarding the average return to growers on an acreage basis;

(6) How the net return compares with competing crops.

4. Practising chartered accountant prior to coming to Canada, in April, 1939, when he became assistant to the controller and vice-president of the B.C. Power Corporation Limited; was engaged by the sugar administration on September 8, 1942, as director of glucose and allied products; resigned June 27, 1943, to go to South Africa in connection with personal business. On his return he was engaged, October 1, 1945, as a senior officer of the prices division of the wartime prices and trade board from which he resigned on March 31, 1946. He has had 25 years experience as a chartered accountant.

5 and 6. No.

ADVISORY COMMITTEE TO THE WHEAT BOARD

Mr. CHARLTON:

What salaries, expenses, or other remuneration of any kind were paid to each member of the advisory committee to the wheat board in the years 1943-1944-1945-1946?

Mr. MacKINNON:

1943

Name	Honorarium	Subsistence	Travelling	Total
R. C. Brown	$ 160 00	$ 160 00	$ 141 05	$ 461 05
D. A. Campbell	....	110 00	345 89	455 89
F. H. Clendenning	190 00	190 00	182 30	562 30
Paul Farnalls	220 00	220 00	256 45	696 45
Lew Hutchinson	260 00	260 00	342 30	862 30
Jas. A. McCowan	180 00	180 00	200 95	560 95
Fred Pettypiece	190 00	190 00	293 74	673 74
R. C. Reece	100 00	60 00	126 70	286 70
A. C. Reid	....	80 00	158 45	238 45
J. Theo Roy	60 00	60 00	142 43	262 43
J. H. Wesson	130 00	110 00	191 70	431 70
	$ 1,490 00	$ 1,620 00	$ 2,381 96	$ 5,491 96

1944

Name	Honorarium	Subsistence	Travelling	Total
R. C. Brown	$ 170 00	$ 170 00	$ 107 50	$ 447 50
D A. Campbell	....	120 00	369 90	489 90
F. H. Clendenning	150 00	160 00	370 60	680 60
Paul Farnalls	330 00	330 00	356 70	1,016 70
Lew Hutchinson	270 00	270 00	332 00	872 00
Jas. A. McCowan	200 00	200 00	198 80	598 80
Fred Pettypiece	170 00	170 00	293 36	633 36
R. C. Reece	90 00	70 00	149 45	309 45
A. C. Reid	....	80 00	126 45	206 45
J. Theo Roy	290 00	290 00	448 90	1,028 90
J. H. Wesson	100 00	100 00	219 90	419 90
	$ 1,770 00	$ 1,960 00	$ 2,973 56	$ 6,703 56

Sundry	30 00
	$ 6,733 56

1945

Name	Honorarium	Subsistence	Travelling	Total
R. C. Brown	$ 240 00	$ 240 00	$ 325 10	$ 805 10
D. A. Campbell	....	130 00	487 25	617 25
F. H. Clendenning	140 00	140 00	286 28	566 28
Paul Farnalls	260 00	260 00	359 80	879 80
Lew Hutchinson	170 00	170 00	174 15	514 15
Jas. A. McCowan	240 00	240 00	385 15	865 15
Fred Pettypiece	180 00	180 00	530 30	890 30
R. C. Reece	90 00	70 00	174 55	334 55
A. C. Reid	....	180 00	310 70	490 70
J. Theo Roy	110 00	130 00	455 20	695 20
J. H. Wesson	150 00	150 00	309 95	609 95
	$ 1,580 00	$ 1,890 00	$ 3,798 43	$ 7,268 43

Sundry	46 00
	$ 7,314 43

1946

Name	Honorarium	Subsistence	Travelling	Total
R. C. Brown	$ 90 00	$ 30 00	$ 73 05	$ 193 05
D. A. Campbell	....	130 00	351 67	481 67
F. H. Clendenning	90 00	90 00	195 72	375 72
Paul Farnalls	180 00	180 00	153 80	513 80
Lew Hutchinson	120 00	120 00	158 35	398 35
Jas. A. McCowan	170 00	170 00	205 70	545 70
Fred Pettypiece	50 00	50 00	95 85	195 85
R. C. Reece	20 00	....	....	20 00
A. C. Reid	....	30 00	47 75	77 75
J. Theo Roy	220 00	220 00	491 60	931 60
C. Gordon Smith	20 00	....	....	20 00
J. H. Wesson	20 00	20 00	36 20	76 20
	$ 980 00	$ 1,040 00	$ 1,809 69	$ 3,829 69

Sundry	$ 46 00
	$ 3,875 69

CITIZENSHIP CERTIFICATES

Mr. DIEFENBAKER:

1. How many citizenship certificates have been taken out since January 1, 1947, by Canadian citizens (a) by birth; (b) by naturalization?

2. Are citizenship certificates being distributed to county court and district court clerks? If so, how many have been sent out?

3. Are application forms for citizenship forwarded to all clerks of court?

Mr. GIBSON (Hamilton West):

1. (a) 198; granted to Canadian citizens by birth.

(b) 190; granted to Canadian citizens naturalized under former acts.

2. Yes; 1186; certificates granted to aliens and forwarded to county and district court clerks for the taking of the oath of allegiance and renunciation.

3. Yes.

GOVERNMENT AND NATIONAL RAILWAY HOTELS

Mr. DIEFENBAKER:

1. In what hotels has the government or the C.N.R. an investment and what is the amount in each hotel?

2. What has been the net profit of each such hotels annually during the past ten years?

3. Has the government made any studies as to the desirability from an economic point of view of a new railway hotel for the city of Montreal?

4. If so, what is the estimated cost of such an hotel?

5. How much money has been appropriated by the government or the C.N.R. for its construction?

6. Have any architects, engineers or designers been employed by the government or the C.N.R. to prepare preliminary or other plans and specifications for an hotel in Montreal?

7. If so, who are they and what is the amount of fees or other compensation paid or payable to each of them?

Mr. CHEVRIER: This again is one of the questions to which I referred a moment ago. While there is no objection to giving the information asked for by the hon. member before the committee on railways and shipping, I am placed in the same position as I was the other day with reference to the hon. member for Temiscouata, who very kindly consented to await the sittings of that committee for the information. I wonder if my hon. friend would not do likewise.

Mr. DIEFENBAKER: I do not see any reason why I should wait for that information. After all, sometimes we have to wait a considerable time for answers to questions. I have waited since February 3 for an answer to one question, and I see no reason why this one should not be answered.

83166—97½

Mr. SPEAKER: Dropped.

Mr. DIEFENBAKER: No.

Mr. CHEVRIER: If the question stands it will stand until the sittings of the committee, because it is a matter that concerns the internal management of the railway. It has not been the practice to answer these questions in the House of Commons when the information is fully available before the committee.

Mr. DIEFENBAKER: Let it stand.

Mr. SPEAKER: Dropped.

Mr. DIEFENBAKER: Let it stand.

Mr. SPEAKER: If the hon. member insists, question stands.

NATIONAL HARBOURS BOARD—HALIFAX—PROPERTIES UNDER LEASE TO PRIVATE PERSONS

Mr. McGREGOR:

1. What is the location of each property in the electoral district of Halifax owned by the national harbours board which is presently under lease to private persons?

2. What is the annual amount of each such lease?

3. Have any requests been made by any municipal corporation in the electoral district of Halifax for information regarding such leases which would enable such municipal corporation to make an assessment for taxation purposes?

4. If so, what was the nature of such requests?

5. What action, if any, was taken by the national harbours board in relation thereto?

Mr. CHEVRIER: I am sorry to be getting up continually, but this is another question which affects an agency or corporation of the government. The national harbours board inform me that the information asked for would be almost impossible to obtain because they have no control over the occupiers and the amount of space each party occupies. There is a continual fluctuation, and for that reason they are unable to give the information required.

Question dropped.

OLD AGE PENSIONS—YUKON TERRITORY

Mr. LOW:

1. Does the federal government pay old age pensions to residents of the Yukon territory?

2. If not, what are the reasons for such pensions not being paid?

Mr. MARTIN:

1. No.

2. For the purpose of the Old Age Pensions Act the word "province" includes the Yukon territory. Under the provisions of the act

a province may decide whether or not it will make an agreement with the dominion for the payment of old age pensions and pensions for blind persons. The authorities in the Yukon territory, which, for the purpose of the Old Age Pensions Act, is considered to be a province, have never made an agreement and consequently old age pensions and pensions for blind persons have never been paid in that part of Canada.

WHITEHORSE FEDERAL BUILDING

Mr. BLACK (Yukon):

When is the federal building for which plans were drawn by the government in 1946 to be constructed at Whitehorse, Yukon?

Mr. FOURNIER (Hull): Plans were prepared in 1946 and work will commence when labour and material are available.

TRANSPORT CONTROL—MAXIMUM LOADING ORDER AND PENALTY DEMURRAGE

Mr. THATCHER:

1. Have the railroads filed with the board of transport commissioners an application to incorporate emergency orders T.C. order 04F (maximum loading order) and T.C. order 18F (penalty demurrage), in tariff CFA, No. 67?

2. Was this tariff an emergency order that came into being as a wartime measure?

3. Has the board of transport commissioners taken any action to make this measure permanent?

Mr. CHEVRIER: I think I can reply orally to this question by telling the hon. gentleman that the Railway Association of Canada have filed with the board of transport commissioners an application such as is mentioned in the first part of the question to continue the emergency orders of the transport controller. In view of the extension which was given yesterday to the National Emergency Transitional Powers Act 1945 until May 15, the transport controller will continue to exercise jurisdiction over these orders during this extension.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SUGAR

Mr. BLACKMORE:

1. From which countries was raw cane sugar imported into Canada during the period between September 1, 1945, and August 31, 1946?

2. How many pounds of 96° raw cane sugar was imported into Canada from each of those countries during the period September 1, 1945 to August 31, 1946, inclusive?

[Mr. Martin.]

HOUSING—VETERANS—CAPE BRETON

Mr. GILLIS:

1. How many buildings for veterans have been contracted for on the island of Cape Breton, Nova Scotia?

2. How many are in the course of construction?

3. Have any been finished and turned over to the veterans?

4. Is there a time limit in the contracts for the completion of the buildings?

5. What is the average cost including the land for veteran's buildings in that area?

6. What amount of moneys has been paid to date with regards to search of titles and completion of the necessary papers?

7. Are the solicitors who are carrying out this work ex-servicemen? If so, what are their names?

POSTAL SERVICE

REGULATIONS GOVERNING MAIL DISTRIBUTION AT WICKETS

Hon. ERNEST BERTRAND (Postmaster General): I should like to answer a question which was asked yesterday by the hon. member for Fraser Valley (Mr. Cruickshank). Regulation No. 256 of the Canada official postal guide, 1947, states:

No information can be given respecting letters which pass through a post office, except to the persons to whom they are addressed, and to the senders when inquiring respecting delivery. Postmasters are not permitted to furnish any information respecting the names or addresses or the financial standing or reputation of patrons or former patrons of their respective offices.

We have communicated with the postmistress and she is going to answer in writing. I have not received the answer as yet.

MOTIONS FOR PAPERS

CAPITAL ASSISTANCE TO PRIVATE FIRMS

Mr. HATFIELD:

For a statement showing the total amount paid, since September 1, 1939, by the government of Canada or any of its agencies by way of capital assistance to private firms, the statement to show the firms to which assistance granted and the total amount granted to each firm.

Mr. McILRAITH: The subject matter of this motion is covered by an order which was passed in response to a question asked by the leader of the opposition (Mr. Bracken). The arrangement was that this motion should stand until the other papers were tabled. I expect that that will be done in a few days.

Motion stands.

ATOMIC ENERGY—REPORTS OF CANADIAN REPRESENTATIVES ON CONTROL COMMISSION

Mr. MENARY:

For a copy of all reports made to the government by the Canadian representatives on the atomic control commission.

Mr. ST. LAURENT: Mr. Speaker, I have on previous occasions asked the hon. member if he would allow this motion to stand. The report of the atomic energy commission has been before the security council; the discussion of it has just been completed, and we are preparing a statement along the lines of the motion. The hon. member was kind enough to say that he would allow the motion to stand until that statement was made, to see if it would not sufficiently fulfil his requirements.

Mr. MENARY: I am agreeable to that being done.

Motion stands.

HOUSING—VETERANS LAND ACT

Mr. MURPHY:

For a copy of all correspondence, contracts or agreements, or other documents in lieu of agreements entered into by the government, or any department or agency of the government, between January 1, 1943, and February 25, 1947, concerning veterans' homes and holdings, in each province, for each area where three or more homes have been built under Veterans' Land Act.

Mr. TUCKER: Mr. Speaker, to comply with this motion would involve making copies of documents which are 580 inches thick, over 48 feet, and comprise 116,000 folios. It has been estimated it would take one typist fifteen years to do the work. The cost of producing it—

Some hon. MEMBERS: Oh, oh!

Mr. TUCKER: I am giving the estimated figures of the cost of complying with this motion; surely hon. members do not object to that. Such cost would be $17,500. I suggest that if the hon. member desires specific information he indicate what he desires, or reframe his motion to ask for something definite. As it stands, to comply with it would involve a tremendous expenditure of labour and money. Perhaps he will permit it to be dropped.

Mr. MURPHY: I would like the motion to stand. I am quite agreeable to that being done. As to the expense involved, that would probably be much less embarrassing to the government than the answer would be.

Mr. TUCKER: It is not a question of its being embarrassing at all.

Mr. SPEAKER: Order. It is against the rules to debate the question. The motion will stand.

Motion stands.

GOVERNMENT PROPERTIES IN HALIFAX COUNTY

Mr. McGREGOR:

For a statement showing the location, area, present valuation and present use of all lands and premises owned by the dominion government, and any of its agencies or crown corporations, including the national harbours board, in the constituency of Halifax, and indicating also the municipality in which such lands or premises are located.

Mr. MACKENZIE KING: Mr. Speaker, may I say just a word on this motion. It calls for:

A statement showing the location, area, present valuation and present use of all lands and premises owned by the dominion government, and any of its agencies or crown corporations, including the national harbours board, in the constituency of Halifax, and indicating also the municipality in which such lands or premises are located.

Surely that asks for far too much in the way of research by government departments. It would involve a tremendous amount of time and labour on the part of officials and of expenditure of public moneys. If there is any particular information the hon. member desires, that could be prepared readily, every effort would be made to supply it, but it does seem to me that as the motion now stands the government is being asked to make an expenditure out of all proportion to what is justifiable and I would suggest that the hon. member allow the motion to be dropped, and substitute, if he wishes, a motion with respect to some specific matter on which he wishes to get information.

Mr. HACKETT: Is it not limited to Halifax?

Mr. MACKENZIE KING: No; I asked about that.

Mr. GRAYDON: It is meant to be, I think.

Mr. MACKENZIE KING: It says:

. . . and any of its agencies or crown corporations, including the national harbours board, in the constituency of Halifax.

Mr. GRAYDON: There is a comma after that.

Mr. MACKENZIE KING: If the hon. member is asking with respect only to public lands and buildings in Halifax, then let him reword the motion. As the motion stands it

is at least capable of being construed as requesting information on practically everything the government of Canada owns.

Mr. GRAYDON: It is beginning to own everything now.

Mr. SPEAKER: Dropped.

Mr. McGREGOR: For the time being.

Mr. GRAYDON: I take it that the motion is dropped strictly without prejudice to the hon. member putting it on the order paper in reworded form?

Mr. SPEAKER: I asked the hon. member if I should say "dropped."

Mr. McGREGOR: Yes, Mr. Speaker, and I said dropped for the time being.

Mr. SPEAKER: Dropped for the time being? It is dropped, then.

Motion dropped.

GARLAND, MAN., POST OFFICE

Mr. ZAPLITNY:

For a copy of all letters, telegrams, memoranda or other communciations exchanged between the post office department and any persons or organizations since January 1, 1946, in connection with the post office at Garland, Manitoba?

ELDORADO GOLD MINES

Mr. DIEFENBAKER:

For a copy of the evidence taken in connection with the investigation of Eldorado Gold Mines Limited and an alleged conspiracy by Carl French, Marcel Pochon and Boris Pregel to defraud the said company and the report by the commissioner, Mr. Glassco in connection therewith.

Mr. HOWE: I would point out to my hon. friends that the documents requested are not at present in the possession of the government. If they come to hand they will be examined and I assume that at that time there will be no objection to the motion passing. I cannot say, however, when the documents will come into the hands of the government.

Mr. DIEFENBAKER: Are not these documents in the hands of the government by way of its counsel?

Mr. HOWE: I cannot say as to that. I do not know just what the practice is with regard to evidence, but I do know that the report of the special commissioner has not yet reached the government.

Motion stands.

[Mr. Mackenzie King.]

COAL SUBSIDIES—NOVA SCOTIA

Mr. GILLIS:

1. For a copy of all correspondence, reports and other documents received by the Department of Finance from January 1, 1947 to date, relative to the application for increased coal subsidies on American coal imported into the province of Nova Scotia.

2. A statement showing the names of firms in Nova Scotia to whom such subsidy is paid.

3. A copy of the original subsidy agreements between the wholesalers in Nova Scotia and the dominion government.

NATIONAL DEFENCE

CLOSING OF LAKEVIEW, ONT., LONG BRANCH CAMP —USE FOR HOUSING PURPOSES

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask a question of the Minister of National Defence, notice of which I gave him this morning. In view of the fact that it is reported that the Long Branch camp situated at Lakeview, Ontario, is about to be closed down, will the department give consideration to having that space and accommodation made available to relieve the acute housing shortage at that point?

Hon. BROOKE CLAXTON (Minister of National Defence): The department will not only give consideration to what the hon. member has suggested, but it is already doing exactly that. This camp is at present being used as a demobilization depot and the land and part of the buildings will be used for reserve training purposes in the future, but as buildings have successively been given up by the army they have been made available as emergency shelter. For instance, the C.W.A.C. barracks were handed over on September 12, 1946, and the first building of the small arms training centre was handed over on December 5, 1946. Other buildings were handed over early in January. At the present time it is expected there will be some seventeen further buildings handed over for use as emergency shelter within the next two or three weeks.

EXTERNAL AFFAIRS

INQUIRY WITH RESPECT TO STANDING COMMITTEE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask a question of the Secretary of State for External Affairs with relation to the setting

up of the standing committee on external affairs. A week or so ago he mentioned that the government had not yet decided whether the estimates of the Department of External Affairs would be sent to that committee for consideration as was done last year. Has the government reached a decision on that point? The house has been sitting for nearly two months and this important committee has not yet held its first meeting.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The committee was established by the house. It is the privilege of any member of the committee to ask that it have a meeting and have notice given. The government has been pressing as urgently as possible for consideration of the legislation that until yesterday had to be dealt with before March 29, and I did not think it was proper to ask the house to deal with other matters until that was disposed of. But if the members of the committee on external affairs want to have a meeting, the rules provide how it can be done. There has not yet been any matter before the house with respect to estimates, and I have felt that in view of the co-operation that had been obtained from all parties in the house with respect to emergency legislation it would not be well received to try to take the attention of the house away from that emergency legislation to deal with other matters which have not to be dealt with before a set date.

Mr. GRAYDON: I think my point has escaped the minister. Does the government intend at some stage to refer the estimates of the department to that committee?

Mr. ST. LAURENT: The government does not intend to refer estimates to the committee. If they are referred to the committee it will be done by the house itself. The estimates are before the house to be disposed of by the house.

Mr. GRAYDON: That means that the government has no particular line of its own to follow in connection with it.

Mr. ST. LAURENT: The government has prepared estimates for the consideration of parliament. If the house wishes these estimates to be considered in committee of the whole house, that will be done. If the house prefers to have the external affairs estimates considered by a certain number of its members in a select committee, the government will have no objection.

Mr. GRAYDON: That is what I regard—

Mr. SPEAKER: Order.

Mr. GRAYDON: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. GRAYDON: I have not yet received an answer to my question; it is just an evasive answer.

Mr. SPEAKER: I would remind the hon. member that when the Speaker calls an hon. member to order he should resume his seat. I am sorry to interrupt the hon. member, but I cannot permit a debate on this question.

CIGARETTES

DESTRUCTION BY MOUNTED POLICE OF GOODS ILLEGALLY IMPORTED

On the orders of the day:

Mr. H. W. HERRIDGE (Kootenay West): I wish to direct a question to the Minister of National Revenue. I have been reliably informed that from time to time large quantities of cigarettes which have been smuggled into Canada and confiscated by the Royal Canadian Mounted Police are burned by members of that organization. In view of this apparent waste of goods will the minister consider having these cigarettes distributed in the future to hospitals of the Department of Veterans Affairs for the enjoyment of veteran patients?

Hon. J. J. McCANN (Minister of National Revenue): It has always been the practice of the Department of National Revenue to destroy cigarettes and liquor which have been seized.

Some hon. MEMBERS: Oh, oh.

Mr. McCANN: I will admit that that may not have been a popular move. During the years of the first and second wars seized cigarettes were turned over to the Red Cross for distribution among soldiers as they saw fit. About nine months ago we received a notification from the Red Cross that they would wish us to discontinue that practice; therefore we have reverted to the former practice of the department of destroying seized cigarettes.

I may say that after the first war there was a request from some military hospitals that cigarettes and liquor be turned over to them. That was done in a few instances, but we found that such abuses crept in with reference to the distribution that it was advisable to discon-

tinue the practice, and we have again reverted to the practice of destruction, which we intend to continue.

Mr. GRAYDON: Is it consumption or distribution?

TRANS-CANADA AIR LINES

COST OF AIRCRAFT "NORTH STAR"

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to direct a question to the Minister of Reconstruction and Supply. On February 4 the minister said that about the middle of February he would be able to tell the house what the *North Star* cost. Can he tell us now?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I can tell the hon. member now that the cost has been determined within the last two or three days. I suggested to hon. members that if they would allow the business to be completed in an orderly way I should be glad to make a statement of the whole transaction at the appropriate time. I am now ready to make that statement, and shall do so the next time questions are called.

INCOME TAX

ARREARS, INTEREST AND PENALTIES

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct an inquiry to the Minister of National Revenue. On March 17 I asked him a question in regard to an answer which was given to the inquiry as to the amount of income tax, interest and penalties in arrears during the years 1939 to 1945 inclusive. If I understood him aright at that time he said he would take the matter into consideration and furnish such information as was available. Is he now in a position to give the information asked for?

Hon. J. J. McCANN (Minister of National Revenue): I am not in a position to give the information which was requested, but officers of the department are making every effort to secure the information. I may say that it will entail a great deal of work, because the records of the department have not been kept in such a way as to indicate offhand what the penalties, arrears, and interest charges have been. But we shall diligently try to secure a satisfactory answer for the hon. member.

Mr. DIEFENBAKER: I am sure it will be a simple matter for the department to furnish from their books the amount of income tax owing without the penalties. I would ask that the amount be furnished by districts. Leave out the penalties and the interest. Just give me the amount of income tax that is in arrears. That should be a simple matter.

UNITED NATIONS

BRITISH PREFERENTIAL TARIFF—INTERNATIONAL TRADE CONFERENCE

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I should like to direct a question to the Secretary of State for External Affairs. In view of the fact that he has not been given notice of this question perhaps he will accept it as a notice and give an answer tomorrow. Will the minister arrange to have printed as an appendix to the *Votes and Proceedings* the plan of work of the second session of the preparatory commission of the international conference forwarded to his office by the secretary general of united nations in his covering letter of March 4? The question is in keeping with the right hon. gentleman's own idea. It does not appear in *Votes and Proceedings*, and I hope he will see his way clear to have it printed there.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Yes, I do apologize for an oversight. I made the suggestion the other day that the plan might be printed as an appendix to the *Votes and Proceedings* but I did not ask Mr. Speaker to give a direction to that effect and therefore it was not done. May I now ask you, Mr. Speaker, to direct that it be printed as an appendix to *Votes and Proceedings*.

RADIO BROADCASTING

REQUEST FOR SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): May I ask the Minister of National Revenue when the committee on radio broadcasting will be set up, and why it has not been?

Hon. J. J. McCANN (Minister of National Revenue): The committee on radio broadcasting will be set up before the Easter recess. The reason it has not been set up is that it is only seven or eight months since the committee last sat. The end of the fiscal year, of course, is the end of March. The report of the corporation for the fiscal year ended March 31, 1946 has already been reviewed, and we thought it would be in the best

interests of the house if the committee did not operate until the end of this fiscal year. Although the report will not be printed, the information contained therein can be given to the committee and reviewed.

HOUSE OF COMMONS

DIVISION ON EMERGENCY POWERS RESOLUTION, MARCH 18

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, will Your Honour consider making a statement to the house, not today but perhaps tomorrow, in order to clarify the situation with respect to the division that took place yesterday? A serious and dangerous precedent was set by Your Honour yesterday, if I may say so, because a count shows that we carried the motion of the Minister of Justice (Mr. Ilsley) no fewer than four times. I think some clarification and explanation ought to be made by Your Honour, because the precedent as it now stands indicates that a vote can never be conclusive under the present rules as you interpreted them yesterday.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS

The house resumed, from Tuesday, March 18, consideration in committee of bill No. 25, to provide for the sale and export of agricultural products—Mr. Gardiner—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: The committee is considering section 3.

Right Hon. J. G. GARDINER (Minister of Agriculture): Last evening when we adjourned the discussion in committee I was asked to give consideration to possible amendments in section 4, after having had section 3 stand for the purpose of considering such amendments to section 4. Before dealing with the amendments I was asked to give a legal opinion on the meaning of the word "may" in the section. I have that legal opinion and will read it:

Legal interpretation of the word "may", law dictionary by John

May: is permitted to, has liberty to. In interpreting statutes the word may should be construed as equivalent to shall or must in cases where the good sense of the entire enactment requires it, wherever it is necessary in order to carry out the intention of the legislation, where it is necessary for the preservation or enforcement of the rights and interests of the public or third persons—

And certain authorities are given.

—but not for the purpose of creating or determining the character of rights. Where there is anything in the connection of the language or in the sense and policy of the provision to require unusual interpretation, it is used as merely permissive and discretionary.

That is the legal opinion under which the draftsmen in the department used the term "may" in these different sections.

Mr. COLDWELL: So that if the house wishes to make it certain that the government shall do something it should use the word "shall" instead of "may." Is not that so?

Mr. GARDINER: That is not what it says.

Mr. COLDWELL: But that is what it means.

Mr. GARDINER: I was going to say with regard to this section that I have no objection to the word being "shall" instead of "may" in this particular provision. But a proposal has been made that we amend section 4, and before going on to deal with that I wish to take 3 and 4 together because they were discussed together last evening. I suggested yesterday that we could take all the powers away from the minister and from the government except those having to do with agreements which have already been made, and all we would require to do, I think, is to amend section 3, subsection (a), by stating:

Subject to any regulations that may be made by the governor in council, the minister may

(a) sell or export agricultural products to the government of any country or any agency thereof pursuant to any agreement already entered into.

Instead of using the word "made", use the words "already entered into", in line 3 of subsection (a). If that were done it would limit the powers given in section 3 to contracts that have already been entered into, which contracts are in the terms of the orders in council that have been discussed in the house. In carrying those out, the last three subsections deal with something somewhat different from what is covered by (a).

(b) On behalf of the government of any country or any agency thereof purchase or negotiate contracts for the purchase of agricultural products.

That is, in carrying out the powers given under regulations by the governor in council we may purchase commodities for other governments.

(c) By order require any person to give such information respecting his facilities for the storing or processing of agricultural products and at such times as the minister may designate in such order.

Then (d):

Enter into contracts for the storing or processing of agricultural products.

I have read that section through in order to come to section 4, which it has been proposed we should amend. I must say that the government prefers to have section 3 as it now stands; but as I said yesterday, if it is the intention of the committee to confine the government to carrying out the contracts we have with Britain, which is the all-important thing in the mind of the government, then we would accept that amendment. I am not however proposing the amendment to the committee; I am simply stating how it could be brought about. Assuming that section 3 will remain as it is, it has been proposed that we amend subsection one of section 4 in these words:

That subsection one of section four of the said bill be deleted and the following substituted therefor:

"The governor in council shall establish one or more commodity boards with adequate producer representation and may authorize and require a commodity board to exercise and perform all or any of the powers and duties of the minister under section three of this act with reference to such agricultural products as the governor in council may designate, but in the exercise of such powers and duties a commodity board shall be subject to the direction and control of the minister.

I read that in order to call attention to what would require to be done particularly in connection with subsections (c) and (d) of section 3, and I will illustrate by dealing with (d):

Enter into contracts for the storing or processing of agricultural products.

And (c):

By order require any person to give such information respecting his facilities for the storing or processing of agricultural products and at such times as the minister may designate in such order.

What we have in mind there is this. If we enter into a contract to supply bacon to Britain, that contract requires that Wiltshire sides be ordered into storage sometimes days ahead, sometimes weeks ahead, and on occasion months ahead. We order those commodities into storage in order to have them available for the loading of ships when ships can be had. There have been occasions on which it has been necessary to act the moment information is obtained with regard to what is happening in order to see that the intentions are carried out. That is the real reason why authority is given to the minister. If it were required that we should have a meeting of council and that the whole thing be determined before council as to whether we are to proceed at all or not in connection with a matter of the kind, a considerable part of the product would be away beyond the position where any storage or anything else in connection with it could be ordered. So I say that to go through the process which is suggested here would make this section of the bill unworkable and impracticable in carrying out a programme of this kind.

I submit again that it is definitely set out, in the orders in council under which the agreements were made with regard to the products, that we deal largely with packing companies in connection with bacon and with cheese boards in connection with cheese. In those operations our action is taken after orders in council have been passed by the government in order to make the carrying out of the policy, whatever it is, administratively possible, and the minister is the administration agent.

Speaking of the proposed amendment, I have no objection to the word "may" after "minister" being changed to "shall". I have no objection at all to the words "with adequate producer representation" being added after the word "board". The section would then read:

The minister shall establish one or more commodity boards with adequate producer representation . . .

And then it goes on as it is now. If that is acceptable to the mover and seconder of the amendment, I shall be pleased to accept that amendment.

Mr. ZAPLITNY: With the explanation the minister has given, it will be quite satisfactory to accept the changes he has suggested, provided that the rest of the amendment stands as we moved it.

Mr. GARDINER: Another suggestion was made by the leader of the Social Credit party with regard to subsection 3 of section 4 to which all the statements I have made with regard to subsection 1 apply; and there is this in addition. The subsection now reads:

The minister may direct that any agricultural product designated by him may be purchased for the purpose of this act or the Agricultural Prices Support Act, 1944, only from a provincial marketing board.

It is suggested that the word "shall" should be used. The wording in the amendment is different, but I doubt very much whether, after I have made the explanation, the hon. member will consider the suggested wording an improvement on that of the bill itself. The suggestion is that it read: "The minister shall direct". There may be producer boards which

are intended to deal only with the marketing of a farm product within the bounds of a province. Most of the boards now existing are in that position. In some instances they are intended to deal only with the product of a community within the province. In many instances they do not deal with all the product which is marketed within a province. If we were compelled to order from boards of that kind all the product which we are going to export under this bill, it would not be possible for us to get the commodity which we require in the quantity in which we must have it in order to fulfil the contract. Subsection 3 says:

> The minister may direct that any agricultural product designated by him may be purchased for the purpose of this act . . . only from a provincial marketing board.

Again I say that provision was included for only one purpose—and it is not required for any other purpose so far as I know—and that was for the purchase of apples or taking delivery of apples from the apple marketing board. I do not think it would improve the act, or make it possible for us to carry out as we should, the provisions of the apple agreement, to change the wording of subsection 3. I hope that with that explanation the leader of the Social Credit party will withdraw his amendment.

Mr. BROOKS: Are there apple boards in all the provinces, or only in British Columbia and Nova Scotia?

Mr. GARDINER: There are only two provinces from which apples are exported in any considerable quantities to Britain or anywhere else, and those are Nova Scotia and British Columbia. The last figure I recall prior to the war was some 10,000 barrels which had been shipped from Ontario to the old land. A board in British Columbia handles the apples of that province. A board in Nova Scotia handles the apples of Nova Scotia. There is an organization in Ontario—and I think there is one in Quebec; I am not certain at the moment, but I know there has always been an understanding—which is not set up under the Marketing Act of Ontario, so far as I know. It is an organization of apple producers, but there has always been a complete understanding between the organizations in Ontario, British Columbia and Nova Scotia with regard to the transactions throughout the war period and which will go on under the provisions of this bill.

Mr. BROOKS: I was thinking in particular of the apple producers of the Saint John valley in New Brunswick. They are increasing very rapidly. What opportunity would they have to sell if there were no board? Would they be included in the Nova Scotia board, or have they any connection with them?

Mr. GARDINER: Of course the first provision which is made by those boards is to supply the Canadian market. There has been complete understanding between the apple producers of Nova Scotia and New Brunswick with regard to supplies going to the Canadian market, just as there is entire agreement between those of Nova Scotia and Ontario with regard to supplying the Ontario market. Up to date no difficulty has developed in that regard, and I do not think there would be any under this agreement.

Mr. BROOKS: It is not a prohibition?

Mr. GARDINER: No.

Mr. HATFIELD: How much subsidy is paid to the Nova Scotia apple board, and how much to the British Columbia apple board? It is not paid to the New Brunswick apple board.

Mr. GARDINER: I can give that in round figures, but if the hon. member wants an exact answer I am afraid I shall have to get some further information.

Mr. HATFIELD: I should like to ask another question. Does this bill give the minister power to freeze any agricultural product for any market, in the manner in which Prince Edward Island potatoes have been frozen for the British market?

Mr. GARDINER: So far as I know, potatoes have not been frozen for the British market. A certain proportion of Prince Edward Island potatoes have been sold to that market.

Mr. HATFIELD: They have been not only sold, but frozen.

Mr. GARDINER: I suppose that when any agency, whether it be a private business concern, a corporation or an individual, obligates himself to sell a commodity, the commodity to that extent is frozen, to be delivered under that contract.

Mr. HATFIELD: Does this bill give the minister power to freeze any agricultural products for any market?

Mr. GARDINER: We did have power under orders in council during the war to say that a certain proportion of bacon and of cheese had to go to Great Britain. That authority is still in the bill.

The CHAIRMAN: I understand that before we proceed with further discussion the minister would like to clear up the matter of amendments before the committee.

Mr. LOW: I should like to ask a question in connection with the amendment I moved. What is the position with respect to poultry products marketing boards? Does the minister make purchases of eggs for delivery to Great Britain under any contract? If so, does he use existing poultry marketing boards in the various provinces?

Mr. GARDINER: We have a contract to send 83 million dozen eggs to Great Britain. Under that contract we purchase eggs at floor prices from anyone who has them to sell. We take all the surplus eggs off this market, and we could take more if there were more in existence, and could send them to the British market. As I say, we have contracted to send at least 83 million dozen, and we can send as many as we have got. We contract to buy them all from any agency, so we would not want to be compelled to take them only from producer agencies, inasmuch as they have only a part of the supply.

Mr. LOW: I would not wish to attempt to compel the minister to buy only from producer marketing boards in provinces where those boards do not control the total supply. But where boards do exist and have control of the total supply, I should like to see it more obligatory upon the minister to make use of those boards for the purchase of his produce. Is there any poultry marketing board in Ontario?

Mr. GARDINER: Not for eggs, I understand.

Mr. LOW: There is in Alberta.

Mr. GARDINER: I understand that is the only one.

Mr. LOW: In that province do they have control of almost the whole supply for export?

Mr. GARDINER: I understand there are other traders. But I am sure the hon. member will agree that while that may be true in Alberta—and if it is true, under this section we will certainly buy all the eggs available in Alberta; there would not be any doubt about that—to require that we be compelled to buy only from a marketing agency in any province where there is such a marketing agency, and one which may not have control of the greater proportion of the eggs, would be asking us to go too far. But there is no question as to what we will do. We will buy the eggs from the marketing agency, if it exists.

Mr. LOW: With that explanation, and the undertaking by the minister to use marketing boards wherever feasible, I shall be prepared to withdraw the amendment.

The CHAIRMAN: Do I understand the hon. member for Peace River (Mr. Low) is prepared to withdraw the amendment he offered last night?

Mr. LOW: Yes.

Amendment (Mr. Low) withdrawn.

The CHAIRMAN: And do I understand that the hon. member for Dauphin (Mr. Zaplitny) is withdrawing his amendment, and proposing in its place an amendment to section 4 (1) whereby the word "may" in line 24 will be deleted and the word "shall" inserted in its place; and that there shall be added in line 25 after the word "boards" the words "with adequate producer representation"?

Mr. ZAPLITNY: I so move.

The CHAIRMAN: Shall we now, before carrying any section, revert to section 3 of the bill?

Mr. GARDINER: The suggestion was made at the beginning that we should deal first with section 4, and then return to section 3.

Mr. WRIGHT: Before section 4 is agreed to, I should like to ask a question with respect to grass and clover seeds. What will be the government's position with regard to the purchasing of these seeds for export? Will you use the Alfalfa Cooperative Growers Association in Saskatchewan?

Mr. GARDINER: As I said yesterday, I believe the Saskatchewan cooperative is still in existence. The one formed as a result of the act of 1939 is still operating. So far as I know that is the only organization in Saskatchewan which controls alfalfa and other seeds. Of course there is no doubt as to where we will get our alfalfa seed in that province. I understand that is the only organization in Canada which deals with those seeds. Elsewhere we will have to deal with others. There would be no question about our dealing with any of the cooperative boards which do exist. We would buy from them.

The CHAIRMAN: Shall the section carry?

Mr. POULIOT: No. I have risen about ten times. When the minister rose I took my seat, as a matter of courtesy, and gave him a chance to speak. However I now want to ask a few questions.

I recall that last year I wrote to the Minister of Trade and Commerce asking him for information with respect to the export of agricultural products to other countries, and the subsidies paid thereon. He told me that my letter was being referred to the Minister of Agriculture. Today I should like to have the following information: First, what quantity of each class of agricultural products as described in this bill has been purchased by the Minister of Agriculture each year since the beginning of the war? Second, what price has been paid for each of those commodities? Third, what total subsidy has been paid to producers for each of those commodities, both for home consumption and for export? My last question is this: What quantity of each class or category of commodities or agricultural products as described in this bill has been shipped to other countries since the beginning of the war? I should like to have each country named.

While this question may appear complicated, it is in fact simple. We look at the future, and we forget the past. The past is the best guarantee for the future. I am sure the minister will have no objection to supplying that information to the committee.

Mr. GARDINER: I have no objection to supplying it but I hope I shall not be asked to read it. I have one small part of it on this sheet and I am afraid it would take me most of the afternoon to read it.

Mr. POULIOT: I am not asking the minister to read it because, when figures are read, no one can understand them. The best thing to do would be to put it on the record, if the committee agrees to that, and then every hon. member could study the figures.

Mr. GARDINER: The information contained on this sheet has been put on the record. This is the answer to a question asked the other day with regard to the subsidies paid on farm products. It would be difficult to make a return showing the subsidies that were paid on products which went to Britain because no direct subsidies that I can recall at the moment have been paid on food products going to Britain. There have been subsidies paid in Canada for the production of food products, most of which were consumed in Canada. One subsidy was in the form of assistance in the purchase of seed cleaning equipment in Prince Edward Island and also in British Columbia. Different kinds of assistance have been given over the years, the total amounting to $351,476,126. These began in 1939 with a subsidy on cheese of two cents a pound for 94 points and one cent a pound for 93 points. That was the first one paid, and then we went on to pay subsidies in connection with cheese factories, cold storage and apples. I might say to the hon. member for Victoria-Carleton that in 1939-40 the subsidy on apples amounted to $1,021,061.07.

Mr. HATFIELD: Is that for Nova Scotia or British Columbia?

Mr. GARDINER: That covers both.

Mr. HATFIELD: What is the difference between the two?

Mr. GARDINER: The figures are not given exactly, but I would say the amount paid to Nova Scotia would be from two-thirds to three-quarters of the total paid in the different years. I can get the exact figures and put them on the record.

Mr. BROOKS: Is the subsidy paid only on apples shipped to England or on all apples sold?

Mr. GARDINER: To all intents and purposes we guaranteed a certain return. The apple producers organizations and others have disposed of the apples to the best advantage and then payments have been made in addition which amounted to a subsidy on the apples in order to give an average return.

Mr. HATFIELD: What was the certain return you promised?

Mr. GARDINER: Let me give the figures and then you can do what you wish with them. They are:

1939-40	$1,021,061 07
1940-41	4,231,146 56
1941-42	2,239,944 15
1942-43	2,900,864 51
1943-44	1,873,520 36
1944-45	1,194,540 84
1945-46	354,340 00
1946-47	552,214 00
	$14,409,632 13

May I say to the hon. member for Temiscouata that if I were to attempt to read all of this list it would take me quite a long time. I would suggest that either what has already been put on the record be accepted or that this be put on the record. The statement follows:

AGRICULTURE SUBSIDIES

—	Sept. 1, 1939 Mar. 31, 1940	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47 Apr. 1, 1946- Jan. 31, 1947	Total
	$	$	$	$	$	$	$	$	$
1—Premium of 1 cent per lb. on cheese scoring 93 points and 2 cents per lb. on cheese scoring 94 points	523,708.00	1,054,497.07	1,494,847.23	1,744,667.84	1,482,408.71	1,601,849.84	1,658,283.97	1,218,082.20	10,778,344.86
2—Subsidies to cheese factories under the Cheese and Cheese Factory Improvement Act	45,968.60	80,971.51	181,319.33	217,816.15	116,460.55	45,567.82	28,216.73	174,292.61	890,613.30
3—Cold storage warehouse subsidies under the Cold Storage Act and Grants	130,324.57	98,976.62	44,142.66	82,953.60	46,936.72	139,855.01	249,438.65	197,702.78	990,330.61
4—Apples	1,021,061.07	4,231,146.56	2,259,944.15	2,900,864.51	1,875,520.36	1,194,540.84	354,340.64	572,214.00	14,409,632.13
5—Subsidy on export bacon	.....	.....	2,281,264.99	.....	.....	.....	.....	.....	2,281,264.99
6—Freight subsidy on hogs shipped from Western to Eastern Canada	.....	.....	.....	.....	111,253.70	12,321.86	813.56	.....	124,389.12
7—Premium on hogs	.....	.....	.....	.....	3,855,156.00	14,090,911.43	9,573,386.36	3,723,490.40	31,242,944.19
8—Bonus on Grade A Large eggs for export to the United Kingdom	.....	.....	304,656.00	620,711.05	.....	.....	.....	.....	925,367.05
9—Milk for fluid consumption	.....	.....	.....	.....	8,921,994.62	12,658,710.24	12,919,198.13	9,951,146.34	44,451,049.33
10—Milk used for concentration purposes	.....	.....	.....	.....	872,742.13	1,823,507.79	1,658,090.46	1,597,059.25	5,951,399.63
11—Milk used for cheddar cheese	.....	.....	.....	.....	1,171,557.64	4,161,618.01	4,155,877.75	4,732,516.92	14,221,570.32
12—Butterfat used for creamery butter	.....	.....	.....	.....	18,538,860.16	23,640,163.19	22,884,609.17	19,040,989.68	84,104,622.20
13—Vegetables used in canning	.....	.....	.....	.....	945,441.06	2,548,506.36	1,768,478.84	978.90	5,263,405.16
14—Berries used for jam	.....	.....	.....	.....	245,198.38	490,838.29	613,514.63	453.21	1,350,004.51
15—White and yellow-eye beans	.....	.....	.....	.....	.....	.....	681,953.94	7,873.38	689,827.32
16—Freight assistance on Western Feed Grain	.....	.....	3,971,650.01	10,317,593.87	17,753,535.21	15,938,110.42	17,316,550.61	14,524,081.53	79,821,521.65
17—Feed wheat subsidy	.....	.....	.....	836,233.65	4,500,929.60	7,469,137.70	7,863,902.29	5,052,237.57	25,722,440.81
18—Subsidy to processors of alfalfa meal	.....	.....	.....	1,128.41	67,373.21	22,721.03	6,273.81	.....	97,496.46
19—Subsidy to Manitoba Sugar Co. on dried beet pulp	.....	.....	.....	.....	25,828.50	.....	.....	.....	25,828.50
20—Reserve stocks of Western Feed Grain, Plan A	.....	.....	.....	.....	Cr. 12,515.64	674,955.69	1,274,238.95	1,032,536.06	2,969,215.06
21—Reserve stocks of Western Feed Grain, Plan B	.....	.....	.....	.....	1,292,204.12	39,526.53	.....	.....	1,331,730.65
22—Fertilizer subventions and freight allowance	.....	.....	.....	1,035,874.66	903,298.92	445,943.41	437,671.01	282,000.19	3,104,788.19
23—Lime for soil amendment purposes	.....	.....	.....	.....	213,282.53	226,517.80	277,664.56	173,399.16	890,864.04
24—Transportation on Western alfalfa seed	.....	.....	.....	.....	.....	10,855.82	40,954.39	.....	51,810.21
25—Bonus on wool clip	.....	.....	.....	.....	90,187.41	155,395.57	193,761.52	11,090.95	450,435.43
26—Assistance in purchase of rams and freight assistance on ewes	.....	.....	.....	37,564.82	15,163.61	705.54	.....	.....	53,433.97
27—Assistance on purchase of seed cleaning equipment, British Columbia	.....	.....	.....	.....	2,500.00	.....	.....	.....	2,500.00
28—Assistance on purchase of seed cleaning equipment, Prince Edward Island	.....	.....	.....	.....	230.00	.....	.....	.....	230.00
29—Rebate to purchasers of Canadian flax scutching machinery	.....	.....	.....	.....	.....	.....	173,843.72	.....	173,843.72
30—Purchase of dehydration machinery	.....	.....	.....	.....	108,500.97	17,612.15	126.50	.....	126,239.62
31—Prairie farm income payments	.....	.....	16,298,504.31	2,665,631.19	14,178.99	276.78	392.25	.....	18,978,983.52
TOTAL	1,721,062.24	5,465,591.76	26,836,328.68	20,461,039.75	63,158,227.46	87,410,149.12	84,131,582.43	62,292,145.11	351,476,126.55

Agricultural Prices Support Board

1. Potatoes—$93,384.68 paid during fiscal year 1946-47—March 1.

Mr. POULIOT: Perhaps I could make my question clearer. What I want to know is what part of the total agricultural production in each year since the beginning of the war has been sold within the country and what part has been shipped outside, and to what countries? We need that information in order to be able to discuss the sale of agricultural products. The sessional paper referred to by the minister relates only to subsidies and does not provide the information I want.

Mr. GARDINER: I have not the exact figures here at the moment in connection with all products for all years, but I can give proportionate figures. In the case of bacon and ham, since the war began we have sent approximately one-half the production to Great Britain. During the same period we consumed about the same amount of pork in Canada as we had consumed prior to the war. I am speaking in terms of weight. Then in the case of cheese, throughout the years we have sent to Great Britain approximately sixty per cent of our production. In two years we sent all the cheese produced in Ontario and Quebec between the months of May and October, but the average is about sixty per cent.

In so far as eggs are concerned, prior to the war we were sending about 1,000,000 dozen. If I remember the figure correctly, that was the amount shipped the last year before the war and for a period of time we had been sending about that number of dozens. This year our contracts call for 83,000,000 dozen. We have sent somewhat more than that in some years but that is about the average in recent years. Those are not sent under any subsidized price; they are sent at the floor price. The floor price that is received for eggs and for cheese and bacon in Canada is the price at which these products have been secured and sent to Britain. We have been paying on cheese produced in Canada a premium of one cent a pound on cheese of 93 score and two cents a pound on cheese of 94 score. We have paid that, no matter where the cheese went. We have paid that premium directly to the producer as a quality premium, just as we have paid in the last few years a premium of $3 on A hogs and $2 on B hogs, and now it is $2 and $1 respectively. While it is true that there is no direct premium on what goes to Britain, there is a premium on all hogs produced in Canada and delivered to the packing houses.

[Mr. Gardiner.]

Mr. HACKETT: Is that paid on the whole hog or on the side?

Mr. GARDINER: On the whole hog. It is now $2 and $1 on A and B respectively. That is paid as a premium to induce the production of a higher grade commodity. Those are the main commodities we are sending to Britain.

Mr. HACKETT: Before the minister leaves cheese, was there not some bonus paid on the milk that went into cheese, and was there not some provincial encouragement given as well?

Mr. GARDINER: Ontario gave encouragement to the production of cheese by paying one cent, and I have heard rumours that that will be raised to two cents. Quebec did pay a premium for a time and then took the premium off. It was paid on all cheese of a certain quality produced in both provinces.

Mr. TUSTIN: It was two cents a pound on all cheese produced in Ontario.

Mr. GARDINER: Yes. That was paid by the provinces. We started in at a lower rate and paid a subsidy of 30 cents a hundredweight on milk entering cheese. But the British are paying that subsidy; we are not paying it. Last year the British did not pay all of it but they paid part of it. This year they are paying all the subsidy that is paid on milk entering into the production of cheese going to Britain. The Canadian consumer is not paying the subsidy on cheese produced in Canada for domestic consumption.

Mr. HACKETT: Was it not because there was uncertainty whether this premium was to be paid that there was such a falling off in the production of cheese in Quebec in 1946?

Mr. GARDINER: I am not too sure about that. We were putting forth every effort to get more butter, but you cannot get more butter and more cheese at the same time unless you increase the production of milk. The production of milk was going down slightly and, because it was going down, we could not get more of canned milk, plus cheese, plus butter. It is true that the production of butter did not stay up to the level of two years ago, nor has the production of anything else because there is not the feed to feed that there was two years ago.

I should like to finish my answer to the hon. member for Temiscouata before going on with something else. The hon. member for Temiscouata and other hon. members will be interested in these facts that I have received in the last few days. The table is headed,

"Imports from Canada as percentages of 1946 average utilization in Britain," and shows:

	Per cent
Wheat and flour, as flour	57
Bacon and ham	38·6
Carcass meat	3·6
Eggs in shell	15
Dried eggs	15
Cheese	24·2
Evaporated milk	10·5

The carcass meat mentioned in the table was mostly beef, which was asked about a few moments ago by the hon. member for Temiscouata. We sent 184,000,000 pounds of beef to Britain in the calendar year 1945, which is the last year for which I have the figures. That works out at 350,000 head of beef cattle in round figures, which would dress at an average of 500 pounds. The beef is in the form of frozen beef and boneless beef. We take the dressed weight and divide it into the total amount and that gives about 350,000 head of cattle. I may say that 573,000 head went out of Canada during that year, largely to Britain and European countries. The extra quantity which went to European countries went largely to UNRRA. That meat was largely in cans. It will be recalled that the year before last we took all canned meat away from the Canadian people. We did not send it to Britain but sent it to UNRRA and UNRRA distributed that beef to the different nations it was helping, largely on the European continent. The price at which these beef products have gone has again been the floor price. The meat board has been prepared at all times to take any quantity of meat that has been available in the packing houses or elsewhere across Canada at a given price, and that price is the floor price which is contained in these contracts. This meat has been sent out of Canada at that floor price. That is true of all the products of which I have been speaking. That is the reason why I have suggested in this discussion that this legislation is utilized for the purpose of putting a floor under the price of farm products. If the products can be sold at a better price for consumption in Canada they are sold for consumption in Canada, but somewhere under the ceilings which have been put on.

Mr. HATFIELD: What about the United States?

Mr. TUSTIN: Does that apply to cheese?

Mr. GARDINER: That applies to all these products, cheese and everything. We bought the cheese at twenty cents a pound. There has been more compulsion in connection with cheese than with other products.

[Mr. Gardiner.]

Mr. POULIOT: Will the minister be kind enough to tell the committee the approximate number of head of live cattle which have been exported both to the United States and the United Kingdom during the whole war?

Mr. ROWE: Dairy cattle?

Mr. POULIOT: Any cattle, but I mean live cattle.

Mr. GARDINER: About 70,000 in 1946 went to the United States. No live cattle went to Britain.

Mr. HACKETT: There were between 90,000 and 100,000 cattle in 1946.

Mr. GARDINER: The hon. member will have to give his own figures. I give the ones I have here.

Mr. HACKETT: I am giving the ones I received from the department.

Mr. GARDINER: We are talking of beef cattle.

Mr. HACKETT: I am talking about pure-bred and dairy cattle.

Mr. GARDINER: If you include pure-bred dairy cattle, the amount will be larger, but pure-bred and dairy cattle are not at all in the same class as beef cattle.

Mr. HACKETT: I am referring to the question asked.

Mr. GARDINER: These figures are in *Hansard*. I do not think the committee will expect me to give them offhand. They are already printed in the record.

Mr. HATFIELD: What price is being paid to the grower for potatoes that are going to the British market at the present time?

Mr. GARDINER: The price is $1.15 for 100 pounds of potatoes.

Mr. HATFIELD: Why was no subsidy paid to the New Brunswick apple grower in 1946 when a subsidy was paid to the Nova Scotia apple grower? The New Brunswick apple grower sold his apples at a lower price than the Nova Scotia apple grower.

Mr. GARDINER: The hon. member is one of the men who sell potatoes in New Brunswick.

Mr. HATFIELD: I do not sell apples.

Mr. GARDINER: The hon. member was talking about potatoes.

Mr. LENNARD: He was talking about apples.

Mr. HATFIELD: I was asking a question about apples.

Mr. GARDINER: I have already stated the position with regard to apples.

Mr. HATFIELD: The minister has not answered my question. Why was no subsidy paid by the New Brunswick board when they sold apples at less than the Nova Scotia apple board?

Mr. POULIOT: Say it with apples.

Mr. GARDINER: I am not in a position to say whether the New Brunswick board sold their potatoes—

Mr. HATFIELD: Apples.

Mr. GARDINER: —or apples, for that matter, at less than the price at which the Nova Scotia grower sold theirs. So far as I have been able to find out, the New Brunswick people do not export apples. They grow a small quantity of apples in New Brunswick, and I am given to understand they do not grow enough for their own market. If they sold their apples at a lower price than was paid in Nova Scotia I am afraid my hon. friend will have to find the explanation in New Brunswick.

Mr. HANSELL: I do not wish to interrupt the continuity of the argument that is going on, but I have something entirely different from what we have been talking about. I should like to ask the minister this question, and if he prefers to answer it at some future time that will be all right with me. I believe this is the proper place to ask it because it involves feed and there is a principle involved. The commodity board has certain powers pursuant to the Agricultural Prices Support Act. The reason I ask the question is that I have an inquiry from a certain organization in my constituency. It is based upon an article that appeared in "The Country Guide." Why are products sold in foreign countries cheaper than they are sold here? I shall read the little statement from the article, and perhaps the minister can answer it.

> The difference between export and domestic rail rates was so high, that western feed could be sold in Denmark for less than it could be sold in Saint John, New Brunswick. The Canadian freight tariff structure was in effect a system for bonusing the Danish feeder against competition by eastern Canadian hog growers.

What is the explanation for this? If the minister cares to answer it now it will be all right; if not, perhaps he can tell me when I may ask the question.

Mr. GARDINER: As I understood it, the first part of the question is why the commodities that are dealt with in these contracts are sold at lower prices to the British in Canada, delivered at a port, than they are sold in Canada to Canadians. The answer to that is the one I gave a few moments ago, that we have had not only a ceiling price in Canada but a floor price. So far as farm commodities are concerned, the floor prices since the beginning of the war have been established by the British agreements. Under these agreements we have undertaken to take delivery of all the surplus farm production in Canada at the floor price, which is the price contained in the contracts. In the case of beef that cannot be lower than half a cent a pound on red and blue beef below the Canadian price. It is one-quarter of a cent now; it was half a cent up to this year. On the lower grades of beef the margin is wider. The floor price established on bacon and ham has established the floor basis in Canada not only for meat but for cattle and hogs. It would be somewhat difficult to state exactly what that floor price is at the different markets, but we have kept a record of it all across Canada during the war and, wherever we have noticed that it was tending to drop below what we considered was a reasonable floor price in relation to prices in the British contracts, we have insisted on the price being maintained on that level. There have been only very short periods at any time during the war when the prices have not been attained either at that level or at a higher level, so that the floor prices are the prices at which the commodities have been supplied to Britain, and in Canada they have sold between the ceiling and the floor.

Mr. ROWE: If that is the floor price what is the ceiling?

Mr. GARDINER: I would have to get the prices board records of the ceilings, which are different prices on different cuts of beef and pork.

Mr. HANSELL: I do not see that there is any first or second part to the question, but does the minister not care to answer what he calls the second part?

Mr. GARDINER: I neglected to answer that. In the first place, I am told that the facts are not that feed grain can be purchased in Denmark at a lower price than it can be purchased at in the maritime provinces. I have heard the statement made many times, and probably I have made it myself sometimes that feed grain can be purchased in China at a lower rate than it can be purchased in British Columbia. I think this statement is correct, although I would want to check it up. It is made often and by

people who ought to know, that the freight rate on grain going by boat from western Canada to Denmark or to Great Britain—it is based on the British figure rather than on the Danish figure, but if it is exported it goes on the same rate no matter to which place it goes—is much lower than the rate on grain that is to be unloaded and fed in this country. It has been said many times that the freight rate on grain from here over to Denmark and back again would not be as high, if you were able to get it that way, as it is if you ship it direct. I say again, I am repeating a statement made recently in Winnipeg by the deputy minister of New Brunswick, and it was repeated by others. Some who ought to know have said to me since that time that there is some truth in the statement, but I doubt whether it has been possible to buy grain, after it has gone over and been shipped back, at as low a price here. Whether the Danish people get it at a lower price I also doubt very much, because other things enter into the cost besides the freight rate itself.

Mr. POULIOT: I understand that the Department of Agriculture is a complete unit, and in this bill there is some reference to advisers whom the minister may choose. The question I wish to ask has reference to food commodities. Does the minister establish prices after consulting with his own advisers, or does he ask the wartime prices and trade board to fix prices for the Department of Agriculture? That is the first question I should like the minister to answer if he pleases.

Mr. GARDINER: To answer the last question first, the wartime prices and trade board ever since 1941 has set ceiling prices on food commodities that are consumed in Canada, and those of course come largely from the farms of Canada. The board has not set these prices without consultation with the Department of Agriculture. There has always been consultation with the department before the prices were set, but they had the final authority to recommend to council, and the prices were set after discussions, first as between the prices board and representatives of the Department of Agriculture, and representatives of farm organizations. The prices board has always had an advisory committee, on each of the important farm products, which has been called in and the matter has been discussed from time to time. In addition to that, we have had a committee advisory to the food board. The food board is composed entirely of agricultural departmental officials, and the prices board and Department of Trade and Commerce officials and that board has had an advisory committee. The chairman of the advisory committee to that board is the president of the Canadian Federation of Agriculture. Each province was asked to name a representative on that committee and they named nine men. Most of the provinces named their deputy ministers, but some of them named representatives of farm organizations. Then we asked the Canadian Federation of Agriculture to nominate three; that is to say, two in addition to their president, which made a total committee of twelve. We accepted those nominations and had those men appointed.

There have been changes. The first member of the board from Quebec was Mr. McArthur, but he took on other work later and therefore resigned and someone else was appointed on the recommendation of the Canadian Federation of Agriculture. We have never refused to take their nominations for these positions. We have the authority to refuse, but we have never found it necessary to do so.

We are setting up a new food board and have given the Canadian Federation of Agriculture the right to select another two from western Canada and another two from eastern Canada. These recommendations have been made by the Canadian Federation of Agriculture, which will increase the advisory board to sixteen, seven of whom will be representatives of the Canadian federation.

The method under which that board operates is this. Whenever the chairmen of the board think they ought to have a meeting they come to the department, and to me as minister, and suggest a date. The president came yesterday, as I said last night, and suggested that we meet the first week after the Easter holidays to discuss suggestions which the government hopes to place before the country with regard to prices or any other matters that may concern the production of farm commodities.

We are not bound by the advice we receive, and the advice given is not a one-way street. Meetings are held behind closed doors. The representatives of the province and the farm organizations talk quite freely to us and we talk quite freely to them. Up to date we have been able to reach an agreement on the things that have been done by the government, with the result that no criticism has been made by those who have been members of that organization. Some others have desired to get on that organization and we have made provision whereby some of them can get on, provided that they are acceptable to the Canadian Federation of Agriculture. We have now the recommendation for the four additional to go on.

That board will meet, and it may be one of the reasons why it will be most difficult for us to make announcements early with regard to the prices of dairy products. We wish to have the advice of that organization. We want them to know what the reasons are for any action we find it necessary to take, in order that they may advise their own organization accordingly, and after we have had these discussions we hope to make the announcements as soon as possible.

I made a similar suggestion with regard to the announcements about feed grain. The main reason why we wanted to hold it up until we had met the farm organization was to have their advice before making a decision. We did not decide to do what they asked us to do, as is obvious. They asked us to pay an average bonus on feed grains. We increased the price, and the reason I give the house and the country for that is this. The condition which was outlined when the first recommendation was made was found to be impracticable of continuation, and therefore we took the alternative suggestion of the farm organizations when we brought down the official decision as to what ought to be done. So that we have been proceeding by obtaining advice and using it where, after having heard all their arguments, we think it wise to follow that advice, and trying to convince them, where we thought it was not wise to follow their suggestions, that some other course ought to be adopted. Up to date we have arrived at understandings.

Mr. POULIOT: Just one or two questions. From what the right hon. gentleman has said, I understand that prices of agricultural products for home consumption are established by the prices board. The first question I wish to ask is whether prices for agricultural exports are established under the authority of the Department of Agriculture.

Mr. GARDINER: Floor prices have been established under the authority of the Department of Agriculture.

Mr. POULIOT: Yes.

Mr. GARDINER: Ceiling prices have been established under the authority of the prices board.

Mr. POULIOT: Thank you. My last question is this. Will the minister be kind enough to put on record on *Hansard* a list of the commitments actually in force regarding the shipments of agricultural products to other countries, by class or category of commodity?

Mr. HATFIELD: Mr. Chairman—

Mr. POULIOT: Just a minute. I want an answer; after I have obtained it, the hon. member may have the floor for the whole afternoon.

Mr. GARDINER: They are here somewhere. I wonder if the hon. member would permit another question to be asked in the meantime.

Mr. POULIOT: Yes.

Mr. HATFIELD: I asked the minister a few moments ago the price which the grower in Prince Edward Island was receiving for potatoes under the British order. He quoted me a price of $1.15. Does that include the bag and the tag?

Mr. GARDINER: No. I stated at the time that it was just for the potatoes.

Mr. BURTON: I wonder if we could possibly get a little closer to the bill which is before us this afternoon. I should like to ask the minister if he recalls that yesterday, while he was answering some questions I asked, he had this to say, as reported at page 1491 of *Hansard,* with respect to an act passed by this parliament in 1939 to assist in the formation and encouragement of cooperatives. He was pointing out that some of these organizations could be made use of under this act, and he said:

> I was looking in my file for the return that was brought down a few days ago indicating the number of organizations which have been set up under that legislation since 1939.

Would the minister be good enough to give us the number of that return so that we might look it up; or, if he has not it with him, will he have his secretary advise us what it is?

When the minister was replying to the hon. member for Kootenay West, in referring to the provincial boards which were under discussion at that time, he said, as reported at page 1504 of *Hansard:*

> It is with a small "p," a provincial marketing board. There may be a dozen in one province dealing with different products.

As the minister says, there may be a dozen of these organizations in a province dealing with different commodities. That part I can understand. But can there be a board or organization set up under provincial legislation setting up marketing boards, and at the same time can those boards or organizations obtain assistance from the federal government? And can those boards, by the board set up under this act, be delegated or designated as the agency for the federal government?

Mr. POULIOT: Mr. Chairman, I rise to a question of order. I respect the views of my hon. colleagues, but there is nothing more in order than a question with regard to what is to be done by virtue of a bill, and my hon. friend knows that. We do not want to be left in the dark. The minister seems to be willing to give the information, and I will ask him again if he will be kind enough to answer my last question, which was in regard to the actual commitments regarding shipments of food to any other country.

The CHAIRMAN: I might inform the hon. member for Temiscouata that I did not rule his question out of order. I did not know the question had been raised.

Mr. POULIOT: No; it is not that at all. This is a vital question, and one which is perfectly relevant. The hon. member who just spoke said that he would come to the nucleus or the marrow of the bill by asking another question. I want to know what is to be done with this bill. Of course my faith is not the same as that of the hon. member for Humboldt. He believes in things which I do not believe in. I am not going to repeat today what I said yesterday. Today we are to have answers giving facts, and the minister is willing to answer. The minister did not refuse to answer, but the hon. member for Humboldt tried to change the course of the discussion by intervening at the wrong moment. I think we should proceed in committee in just the same manner as we proceed in court. When one has the floor, he has an opportunity of following the line of his questioning. I did not rise on a point of order at all regarding your ruling, Mr. Chairman, because you did not make one, and no one asked you to make one. But I rise to a point of order and a question of privilege at the same time; because when a member rises in the house to ask a question of a minister, and the minister is willing to reply and looks in his file for the information with which to answer, I do not see why he should not be allowed to do so.

Mr. BURTON: Mr. Chairman, I rise to a question of privilege. If it was the innocent remark that I made which has sent the hon. member for Temiscouata off on another tirade, I am quite prepared to withdraw it. I say it is a sad day indeed if an hon. member cannot rise and suggest that we get a little closer to the bill under consideration.

Mr. POULIOT: I will tell the hon. gentleman that I was not offended at all, but I regret very much not having the information. I want the information; and if he rose to prevent me from getting it, let me tell him that I will stand up until I do get it, because the minister is willing to give it. I do not see why any member distracts the attention of the minister when he is ready to answer a question, and I am sure the minister will answer my question.

The CHAIRMAN: Order. I understand the minister requested that we proceed with further questions while he was looking up certain information. If the minister has the information now, I am sure he will answer the question.

Mr. POULIOT: Thank you.

Mr. GARDINER: The information is here, Mr. Chairman. My officials are looking through a pile of information here trying to find what is required, but they have not yet located it. I will give it to my hon. friend as soon as I locate it.

Mr. POULIOT: I thank the minister very much.

An hon. MEMBER: He said that ten minutes ago.

Mr. POULIOT: The minister was willing to answer, and I wanted to have the answer, whether now or a little later on.

Mr. ROSS (Souris): I am bound to agree that the hon. member for Temiscouata has been very much in order in asking his questions this afternoon, and I think the remarks which were made by the hon. member for Humboldt, and which precipitated this little argument, were quite uncalled for. I understood there was agreement between the hon. member for Temiscouata and the minister that the officials were looking for the information in order that the answer might be given, and that the minister invited further questions in the meantime.

I have two related questions which I should like to ask the minister as a result of questions from producers in my part of the country. The first is this: Have Canada Packers a representative on the meat board and on the wartime prices and trade board? If so, who is the official. If the minister has that information, then I am sure he can give me some enlightenment on the next question which I wish to ask; and I shall give a concrete example.

On the Winnipeg live stock market, according to the minister's own report for February 8, finished steers were selling for fifteen cents a pound, live weight. Some weeks later than that—I have not the exact date before me—the

wartime prices and trade board officials announced an increase of approximately three cents a pound for dressed beef. Since that time, live beef on the Winnipeg live stock market is selling for, on an average, one cent a pound less for the same quality beef. Could the minister give me a reasonable explanation which I can pass on to the producers, who are wondering why this has taken place, under the present regulations.

Mr. GARDINER: Would the hon. member repeat the latter part of the example he has given.

Mr. ROSS (Souris): I pointed out that on February 8 the price prevailing, according to the minister's report, was fifteen cents a pound on finished steers. Some weeks later an announcement was made by the wartime prices and trade board officials to the effect that dressed beef would increase in price to the extent of three cents a pound, varying, of course, according to the different cuts. Since that time, and right up to date, the same type of live beef has been selling for approximately one cent a pound less than it was prior to that announcement. The producers are wondering why that has taken place, in view of the regulations and controls of today. I am sure if the packers have a representative on the meat board or on the wartime prices and trade board that representative will be able to give an explanation that I could pass on to these people.

Mr. GARDINER: The meat board is composed of Mr. Taggart, who is chairman. Then there is Mr. L. W. Pearsall, who is manager, and Mr. S. E. Todd, who is managing director of the industrial and development council of the Canadian meat packers, and who is a board member. I presume he is the gentleman to whom reference has been made. He was secretary of the food board during the first war, and during the war just past he was on the meat board.

Then there is Mr. McOuat, who is general agricultural agent for the Canadian Pacific Railway Company, and is also on the board. The secretary is Mr. P. E. Light, chief of the live stock and poultry marketing division. It will be noted that Mr. Taggart is chairman and Mr. Pearsall is manager.

Mr. ROSS (Souris): Those are not the names I had in mind. I think Canada Packers still has another representative on the wartime prices and trade board, if he is not on the meat board.

Mr. GARDINER: Canada Packers, as such, have no representative on the meat board. But the packing organization as a whole, which is the organization from which we must get our bacon and hams, have a member on the board.

Mr. ROSS (Souris): They might have a representative on the wartime prices and trade board, apart from the meat board, might they not?

Mr. ILSLEY: I have never heard of any representative of Canada Packers on the wartime prices and trade board. Certainly there is none in the membership of the board. They may have selected some administrator who, before his selection, worked for Canada Packers, or something of that kind. But it would not be a very high up official.

Mr. ROSS (Souris): Could the minister give me an answer?

Mr. GARDINER: I would have to search the record, or have it searched, I am not in a position to answer the question as to the level of prices; and I take it that is what is wanted, from what has been said. But there are a great many things that can be said about the level of prices on a certain day depending upon the type of cattle on the market. I would not like to say that, because prices were at different levels, everything is explained. But the fact is that the board all through the war, and even now, has kept a close check on the activities in different markets in connection with live stock products. Up to date it has succeeded in maintaining returns to the farmer at the floor.

We have never attempted to keep them down. There are times when they go above what we would consider to be the ceiling. I suppose that is done because probably the packing plant is prepared to take a loss, or at the most a small profit over a period of time in order to supply its customers. They even pay higher prices for live cattle than the ceiling would permit. They claim to have sold at a loss at different times. Then, when there are greater supplies on the market they may sell closer to the floor. During that period of time they would make up the losses which they previously incurred. I assume that is the condition under which they operate. I should think it would be the natural condition under which to operate. But to our knowledge, prices have not gone below the floor in connection with this matter.

Mr. ROSS (Souris): Is it fair to assume that the amount of dressed beef in storage might enter into the picture, for some period of time? I was thinking that your board would have a reasonable explanation for that. For instance, if there were a great amount of dressed beef in storage, that might be the

answer, over a period of time. I should think there would be some reasonable explanation for the situation.

Mr. BRYCE: This raises a very sore point with the farmers.

Mr. ROSS (Souris): Just a minute; wait until I have a reply.

Mr. GARDINER: I am told that the answer that can be given by the board is this: Perhaps hon. members have noticed that in the press, for two or three weeks before the announcement was finally made, there were rumours to the effect that this would be done. I presume that what the hon. member is suggesting is that, if there were a member who was a representative from the packers on the board, they might have got knowledge of that. But from what I know of what goes on around Ottawa, I am sure that they did not require to have a member on the board in order to find out.

Mr. ROSS (Souris): I am not making any suggestion.

Mr. GARDINER: Most of the things decided in our boards and most of the things decided by the government are in the papers before decisions are finally reached. They may be only rumours. But there are a lot of people who have seen it happen so often that they are quite prepared to accept the rumours and take a chance on them. I understand that the price of beef did go up some days before this change was made, and this made it impossible to go up as much as it would have gone, if it had been affected only by this one price rise.

Mr. ROSS (Souris): I was not making any suggestion. I was looking for an answer. If these officials who had experience were on the board, or on the wartime prices and trade board, they would have a logical answer to it, something which the ordinary layman does not know anything about.

Mr. GRAYDON: You will not get anything answered over there.

Mr. BRYCE: I do not want to get away off the bill, but I should like to clear this matter up. I am keenly interested in the point the hon. member for Souris has just raised. The trouble is that the packer has a ceiling, but the farmer has no ceiling. There is no ceiling on live steers today, And the packer can pay for them whatever he darned well likes.

Some hon. MEMBERS: Oh, oh.

Mr. BRYCE: Oh, you fellows have said lots worse than that.

[Mr. J. A. Ross.]

Mr. ROSS (Souris): That is nothing to what your constituents say about the government, eh?

Mr. BRYCE: The minister knows that the wartime prices and trade board has a ceiling on dressed beef. Then that is when the meat board steps in, whenever it does not make that price. You or I can take a carload of steers to the market tomorrow. If we do not like what the packer gives us for them we can take them home again. There is no protection for us from the meat board.

We have a situation today where the farmer has no protection from the ceiling. We know that if we take a 12 or 13-cent steer it will turn into 20 or 20½-cent beef, according to dressing. When we appeal to the meat board and say that we are not receiving the protection to which we are entitled, they tell us, "Well, put your beef on the rail, and we will see what they will make." They are going to force us to rail-grade them. I for one will never agree to rail-grading of beef, although I agree with the minister that that is the proper way to grade it. But it is not the proper way as long as it is so definitely in the hands of the meat packers.

Amendment agreed to.

The CHAIRMAN: Shall section 4 as amended carry?

Mr. POULIOT: I rise to a question of privilege which it will take me but a minute to discuss. I notice in the Ottawa *Journal* of this evening that John Strachey is denying in Manchester, England, what I said yesterday in the house. I have here a clipping from the Montreal *Gazette* of Friday, March 15, 1935, which quotes a Chicago dispatch of the Associated Press, in which Mr. Strachey is reported as saying:

I am not a communist, but a believer in communist theories.

Mr. WRIGHT: I wonder if what the hon. member is saying has anything to do with this bill. I cannot see anything in section 4 dealing with Mr. Strachey, the minister of food in Great Britain, nor can I see anything in that section of the bill that has any reference to what his opinions are with regard to communism or any other ism.

Mr. POULIOT: The rules of the house say that a question of privilege may be raised at any time. I am sorry to interrupt the discussion, but I shall not be long. I simply want to answer this person who denied what I said in the house. If my hon. friend looks at the small book he will find that that is one of the first rules. I quote what Mr. Strachey said:

I am not a communist, but a believer in communist theories. I am primarily an author. Being a communist is a full time job and I can't spare the time for it. Besides, anyone who would advocate overthrowing the United States government is crazy. I make no secret of my economic opinions. I entirely deny the charges that have been preferred against me. I am not an anarchist so you can all sleep safe and sound in your beds tonight.

I am sure that no one will consider him dangerous. I do not consider him seriously at all, and that is why I object to any transactions being made by the Canadian government with him. I protest strongly against it.

Mr. McMASTER: I should like to refer again to subsections 2 and 3 of section 4 about which I spoke yesterday. Apparently the commodity boards which are to be established will be established under section 9 of the Agricultural Prices Support Act, 1944, but I think we are faced with the possibility that that act might be declared unconstitutional. I find that that act is headed:

An act for the support of the prices of agricultural products during the transition from war to peace.

Apparently it is only a temporary act. I wish to know if that act has been incorporated in any permanent act. If it has, I should like to know how it could be, since it refers only to keeping up prices in a province. It does not refer to interprovincial or foreign trade and it could not be made permanent. I am afraid that you will find that any board appointed will have no power. There is nothing in this act that would give it any status. I am afraid that, by the terms of this section, you will be appointing something that cannot in fact exist.

Mr. GARDINER: Subsection 1 of section 4 gives authority to appoint commodity boards or to utilize any commodity board that does exist. There are no commodity boards that have been set up under the other act. What we are anticipating might happen as we go along is that some of these products may be taken out from under these boards and placed partly under other boards. If we had commodity boards under the other act handling those products, then we could appoint those boards to deal with this act as well. We have not any of them and we do not know that we shall have any. This act is temporary, being only for one year, while the other act is for a much longer period. It is not as temporary as this one.

Mr. McMASTER: This is for only a year, but the other act must fall right away because—

Mr. GARDINER: The other act is more permanent than this.

Mr. McMASTER: You think it is.

Mr. GARDINER: The other act was placed on the statute books in 1944 and it remains there until this house takes it off.

Mr. McMASTER: It remains there until some court of law declares it is unconstitutional because it is no longer necessary because of any emergency. The only reason for its being there was the emergency created in the change from war to peace.

Mr. GARDINER: It was passed by this house; it was not under the War Measures Act.

Mr. DIEFENBAKER: Has it ever been brought in?

Mr. GARDINER: Yes.

Mr. DIEFENBAKER: On what date?

Mr. GARDINER: April 1 last. It is being utilized in connection with the provision of funds.

Mr. IRVINE: I rise to a question of privilege and I am sorry the hon. member for Temiscouata has left the chamber. The question of privilege raised by the hon. member was not a question of privilege. Under the guise of its being a question of privilege he was taking the opportunity to protest against making a deal with a minister of the British crown. I ask that that be stricken from the record because it is not a question of privilege at all.

The CHAIRMAN: The question should have been raised earlier.

Mr. IRVINE: I have been trying to catch your eye, but I could not.

The CHAIRMAN: The hon. member could have risen at any time on a question of privilege.

Mr. GRAYDON: He thinks that two wrongs make a right.

Mr. McMASTER: The minister has said that the Agricultural Prices Support Act was proclaimed last April. Is it not a fact that all the purchases of apples which we heard about this afternoon were made under that act? If I recall correctly I have seen reference to this in the public accounts.

Mr. GARDINER: No apples were purchased under that act. The apples were purchased under the War Measures Act to complete an agreement made under the War Measures Act by order in council.

Mr. WRIGHT: What would happen in this hypothetical case? You are using a board set

up under this act to support prices, but this act does not come up next year; it is simply allowed to drop.

Mr. GARDINER: I am hoping I shall not have to wait as long to get it through at the next session as we have had to wait this session. I think we should leave the argument about that until the next session.

Mr. WRIGHT: Why not make it a little more permanent?

Mr. CHARLTON: Was subsection 3 of section 4 amended in any way?

Mr. GARDINER: No, it has not been amended in any way up to the moment. I think the hon. member asked us to let it stand until we had finished with section 4. We are trying to complete section 4 and then we shall go back to section 3.

Mr. CHARLTON: I had an amendment to that particular subsection which I intended to bring forward, but in view of the amendment brought forward by the hon. member for Peace River I do not know whether this would be of any use. However I should like to hear what the minister has to say about it. It is:

That subsection 3 of section 4 be repealed and the following substituted therefor:

"Notwithstanding anything in this or any other act contained producer boards set up under provincial marketing acts, where such boards exist or may from time to time be brought into existence, shall be used for the purpose of this act, or the Agricultural Prices Support Act, 1944."

Mr. GARDINER: I would think that amendment has the same meaning as the one that was withdrawn.

The CHAIRMAN: Do I understand that the hon. member is moving this amendment?

Mr. CHARLTON: Yes, I am moving it.

Mr. GARDINER: I do not know whether the hon. member was in the house when I was dealing with the amendment proposed by the hon. member for Peace River, but this one would have exactly the same effect, though its wording is not exactly the same. What I stated at that time was that there are very few, if any, boards set up in Canada which handle all of a particular product. It might be said that the apple board handles all the apples that are exported, but there is no authority in this bill yet, and will not be unless we accept the amendment I am proposing to section 5, that would put the apple board in a position to do what is proposed. There is an egg board in Alberta, and that is the nearest approach to such a board. What I stated on the other amendment I state again now, that where these boards do control the marketing of farm products, there is nowhere else we can go to get that product. On the other hand, some of these boards are set up to market products within a province, and others deal only with marketing part of the product within a province. But these British agreements we have to carry on from day to day and week to week, and we cannot wait for these boards to be enlarged to get the product we want from a particular province. We must go to organizations already set up to handle them. If we accepted an amendment that, wherever there is a board, we must buy from that board it would defeat the very purpose of the bill, which is to get all the surplus food that is available in a given area, in a given province or in the whole dominion, to enable us to fill these contracts. If there is such a board in existence anywhere we shall do exactly with that board what we propose to do with the apple board. We shall take our products from that board. But I would not want to be compelled to deal only with that board, if there is such a board in existence. It may not be able to deliver the surplus of a province at all.

Mr. CHARLTON: The minister says he would deal with the board but he does not want to be bound to do it.

Mr. GARDINER: I am saying that the amendment would bind me. If there is a board in Ontario that handles and markets half of the apples in Ontario—I shall not get into any difficulties by mentioning apples because it is not a product being exported—I would be compelled to go to that board to get the surplus of apples in Ontario if we wanted to market Ontario apples. But those people may not want to market any apples outside Ontario, and there may be a good reason for that. Ontario is the best market for apples in Canada, and they may not want to market their apples outside the province. I do not want to be compelled to go to that board and take their apples away from them. We want to utilize these boards where they exist to do the job that has to be done, but we do not want to go beyond that.

Mr. FULTON: The only alternative would be for the minister to requisition the apples, to get the apples before they came under the control of the board.

Mr. GARDINER: I hope we are not going to have to requisition anything. The only reason there is authority here to requisition is that we might want a product like Wiltshire sides, and the packing plant may say: "We can sell these to better advantage somewhere

else and we are not going to sell them to you." Under those circumstances we ought to have authority to say that a certain percentage of the product must be put into the brine now and cured in order to go into bacon. That has to be done weeks ahead. That is what the power will be utilized for. But as for taking commodities away from small dealers or from small cooperatives or small producer organizations, we do not want to exercise that kind of authority at all and we do not intend to exercise it.

Mr. FULTON: I agree entirely with the minister's suggestion. But surely it follows, if the board wants to help you carry out these contracts, they are not going to try to beat the minister and sell somewhere else, provided that the price is reasonable. I understand that the minister has agreed to consult the producers in setting the price. Therefore we have a reasonable assurance that the price will be reasonable and just. If that is the case, the boards are not going to try to beat the minister to it by making it impossible for him to get the products to fill the contracts. A big packing plant might, but I doubt that too. That being the case, why will the minister not accept the suggestion that he deal through a board where a board exists, and then, where a board does not exist, he can go into the market himself and set up whatever agency is necessary.

Mr. GARDINER: Where a board does exist it may not have the product we want.

Mr. FULTON: Then you do not use that board.

Mr. GARDINER: But the amendment would compel me to take the product from that board and from no one else. In other words, if somebody were to set up a board in Ontario to market the producers' bacon, then under the amendment we would have to take the product from that board. But the proper place to take the bacon from, under present conditions and under any conditions that I can foresee while these agreements are running, is the packing plant. There is no one else in a position to market it. To say that I must deal with a board because somebody has set up a small board and said, "We are going to market this product"—it just is not possible to do that kind of thing.

Mr. FULTON: There would be no objection to putting in a reasonable definition of "producer board" if the minister is afraid of that situation arising. But for him to say that, because somebody may set up a board and call it a producer board, therefore he will have to deal with that board, is not a sound argument against the principle we are advocating. We have had a good deal of argument about this, but we thought we would make one more effort to have the minister accept the principle we are advocating. I have his answer now, and so far as I am concerned I have nothing more to say.

Mr. CHARLTON: I ask leave, Mr. Chairman, to withdraw my amendment.

Amendment withdrawn.

Mr. DIEFENBAKER: May I ask the minister if section 4 has been amended in any particular at all? There have been amendments advanced and withdrawn until it is difficult to know the extent to which amendments have been accepted or rejected.

Mr. GARDINER: The amendment which was accepted was to subsection 1 of section 4 and was to this effect, that the minister shall establish one or more commodity boards with adequate producer representation. That is the only amendment that has been accepted.

Mr. DIEFENBAKER: I have listened to the arguments advanced. I do not know whether any arguments advanced can have any effect, but I do not recall any instance either in the Natural Products Marketing Act—and I have it here and am ready to discuss it—or in any other act where a minister has asked parliament to anoint him with the powers which the minister asks for in this bill.

Mr. GARDINER: May I repeat what I said when the hon. member was not here. If the hon. member wants to follow that argument further I suggest that he amend section 3 by inserting the words "already entered into", and then I shall not have the powers he complains of. The only reason I need these powers is to do what I am asked to do by the other side of the house.

Mr. DIEFENBAKER: When the minister starts advancing an amendment with such anxiety I begin to wonder what is behind the suggestion and the anxiety he has. I am not going to deal with that at all.

Mr. GARDINER: I do not want any extra power. That is the only anxiety.

Mr. DIEFENBAKER: I am glad to see that the minister does not want any extra power. Therefore I am going to suggest that the minister should not be the one to establish one or more commodity boards to carry out the powers and direction and controls to be exercised by him. The authority to appoint those boards invariably rests in the governor in council.

Mr. GARDINER: It is there.

Mr. DIEFENBAKER: Oh, no; that is the point. Section 4 (1) says:

The minister may establish one or more commodity boards . . .

While the minister says that only the governor in council can establish these boards, that is not what the bill says. The only power of the governor in council is in section 5 (1), which says:

The governor in council may make regulations for carrying any of the purposes or provisions of this act into effect . . .

It does not refer to the making of appointments. The only appointments that the governor in council has anything to do with are provided by section 7 (1) which says:

The minister may, with the approval of the governor in council, employ such professional, technical or other officers, clerks and employees as are necessary for the proper administration of this act and fix their remuneration.

That is all. The establishment of the boards is not in the hands of the governor in council. Apparently the minister thought it was because, when he interrupted me a moment ago, he said that the bill so provides. The appointment of the boards is in the exclusive hands of the minister. In view of the fact that he thought the bill provided that it was in the hands of the governor in council, I suggest that section 4 (1) be amended in this particular, that where the word "minister" appears in line twenty-four the words "governor in council" be substituted. That is a reasonable suggestion and I think the minister will accept it.

Mr. GARDINER: To shorten up the argument, may I point out that the only authority which I have in this bill in connection with these matters is given to me by section 3.

Mr. DIEFENBAKER: No.

Mr. GARDINER: In that section the governor in council does make the regulations under which I operate. It simply states that I may pass it on to the commodity boards. The boards are then set up. I have no objection to putting in the words "governor in council". Let us put them in and get it over with.

Mr. DIEFENBAKER: Not to get it over with, but because it is necessary.

Mr. WRIGHT: That is exactly the way our amendment read when the minister asked that it be changed.

Mr. GARDINER: We shall accept it. Let us get on with the bill. Apparently some hon. members are more interested in six o'clock than they are in getting on with the bill. Let us get through with this section and get on.

Mr. DIEFENBAKER: I move that the words "governor in council" be substituted for the word "minister" which appears on line twenty-four of subsection 1 of section 4.

Amendment agreed to.

Subsection as amended agreed to.

Section 4 as amended agreed to

Mr. DIEFENBAKER: We now come to section 3, and I wish to refer to the preamble in order to discuss the section. The minister has said that he is anxious to get this bill through. I have listened almost continuously, except for an hour or so last evening, to what has taken place and have taken no part in the argument. Therefore I ask the indulgence of the committee at this time. The preamble sets forth the reason for the bill. It states that the reason for it is that certain agreements will continue in force and that for the purpose of enabling Canada to carry out these agreements the bill is being introduced.

The minister will admit that under section 3 the powers are unusually wide; that they could not be wider than those contained in the section if the minister had spent all his time in endeavouring to draft omnipotent powers. He has already told the committee that he was prepared to restrict them to any agreement already entered into. But aside altogether from that, the powers asked for are no less than and no greater than those under the communist government of Yugoslavia.

Mr. GARDINER: Or the Bennett government of 1934.

Mr. DIEFENBAKER: I have heard much about the Bennett government. I have the act here and I would be ready to discuss it. As a matter of fact, that act was declared beyond the powers of parliament because of what it asked for. If the committee wish to discuss that act may I say that the powers asked for in it are infinitely less than anything asked for in this bill.

Mr. GARDINER: May I submit this for my hon. friend's attention. Judging by the legal information which has been given to me, I agree that the bill without this preamble and without the special conditions set out in it also would be ultra vires. The only thing that makes it intra vires is the special conditions that will exist and the necessity for carrying on as under what we previously called the War Measures Act.

Mr. DIEFENBAKER: We now have the answer I have been trying to get.

Mr. GARDINER: The hon. member could have had it at any time.

Mr. DIEFENBAKER: There is also the question as to whether parliament in fact has these powers. Yesterday I raised the question because, after all, we are passing bills without having secured the opinion of the law officers of the crown with regard to the legality of these things, and placing it on the table. I am going to come to this in a moment.

Mr. GARDINER: We have received the opinion of the law officers.

Mr. DIEFENBAKER: I am going to ask for the production of these opinions because the editor of the *Fortnightly Law Journal,* an outstanding student of jurisprudence and an editor whose opinions are accepted, has concluded in several articles which he has written that, under the authority of the Canada Temperance Act case of 1946, the doctrine of emergency which is now being relied on by the minister is no longer of any force.

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

Mr. DIEFENBAKER: Yes.

Mr. CRUICKSHANK: I have a great deal of confidence in the hon. member's judgment as a lawyer. In his opinion is this bill legal or not?

Mr. DIEFENBAKER: I will answer my hon. friend in one minute. I am going to discuss that case because the issue has to be faced. So much has been said in regard to the Natural Products Marketing Act and its illegality that the issue has to be faced in regard to this measure which, as I have already stated, goes far beyond anything that was ever covered by the Natural Products Marketing Act.

The Minister of Veterans Affairs was one of those who pointed out the difficulties in 1934 with all the power that he had at his command. When his government came into power the first thing they did was to attack that act and appoint lawyers to argue that it was not within the powers of parliament. These lawyers represented the dominion government.

Mr. ILSLEY: Is that so?

Mr. DIEFENBAKER: Yes; I have it here for those who want to read, but before I come to that—

Mr. ILSLEY: Just a moment. Did the dominion attack its own legislation?

Mr. DIEFENBAKER: Yes; that is exactly it. That was the amazing attitude taken, because the question that was advanced was the illegality of the legislation in question.

Before I come to that, and I will discuss it at length, let me say this. The powers asked for by the minister to control the agriculture of this country other than wheat, in this act, were not exceeded, as I said a moment ago, by the Yugoslav people's assembly in a law passed on December 4, 1946, by which that country was brought under a complete system of socialism. I get that information from a magazine published by the Department of Trade and Commerce, issue of March 8, 1947. We place in the hands of the minister almost absolute power. The minister has stated that the reason for the preamble is to bring this bill within the power of parliament to enact, which indicates the doubts that those who drafted it had as to the legality of the powers asked for.

Mr. ILSLEY: Not at all.

Mr. DIEFENBAKER: I will ask the minister to answer this. The Minister of Agriculture said that was a fact. The Minister of Justice says it is not.

Mr. ILSLEY: Said what was a fact?

Mr. DIEFENBAKER: That the reason for the preamble was to cover the question as to whether or not the bill—

Mr. ILSLEY: That was not what the hon. gentleman said. He has just said that the reason for the preamble was that the government had doubts as to the legality of the legislation. It is not so.

Mr. DIEFENBAKER: Without it, without that preamble; and I was asking why this preamble was in the form in which it is. Listen to what it says:

> Whereas His Majesty's dominions and foreign countries, during and as the result of the war against Germany and Japan, were and still remain in grave distress for want of adequate food supplies;
>
> And whereas for the more efficient prosecution of the war and in order to assist in the relief of suffering and the distribution of food supplies the government of Canada entered into agreements for the sale or export of food supplies to other governments or agencies thereof, which agreements still continue in force; And whereas certain orders and regulations were made by the governor in council under the authority of the War Measures Act and the National Emergency Transitional Powers Act, 1945, for the purpose of enabling Canada to carry out the said agreements;

That is the first thing. The preamble sets out various conditions, and then it says:

> And whereas the said orders and regulations will expire on the thirty-first day of March,

1947, and it is necessary by reason of the existing national emergency that parliament confer authority to enable the government of Canada to fulfil its obligations—

I stop there for a moment and ask the minister, either of justice or of agriculture, to explain the nature of the existing national emergency upon which is founded the declaration in question in the preamble.

—to fulfil its obligations under the said agreements and to continue to sell and export food supplies to distressed countries for the relief of suffering and the distribution of essential food supplies, in order to maintain economic stability and to ensure an orderly transition from war to peace.

Now, sir, those are the words.

The CHAIRMAN: Order. May I remind the hon. member that the preamble should be discussed last. Standing order 76 reads:

In proceedings in committee of the whole house upon bills the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

I did not stop the hon. member when he mentioned the preamble, and I have no objection to his referring to it in order to discuss section 3.

Mr. DIEFENBAKER: That is the purpose because, sir, the minister gave it as the purpose when he said that the power to do these things under this bill was dependent upon the wording in the preamble that set forth a situation that required extraordinary measures.

Mr. GARDINER: That is not what I said.

Mr. DIEFENBAKER: As long as it remains on *Hansard* the way it was said I am prepared to accept what was said at that time.

Mr. GARDINER: It will be there unless you change it. I was told after a similar remark the other night, by those who look after it, that I am noted as one of those who change *Hansard* the least.

Mr. DIEFENBAKER: The minister must not talk about that.

The CHAIRMAN: Order. From time to time there have been references in the committee to changes in *Hansard*. As I mentioned before, in my opinion that is a direct reflection on *Hansard*. The *Hansard* reporters are here to take down what is said. They are sworn to do so, and I do not think there should be any suggestion that members are not properly reported.

Mr. GRAYDON: I think the minister ought to withdraw that.

Mr. GARDINER: It is not the minister; the suggestion is on the other side.

Mr. CASE: The hon. member said, "As long as it remains on *Hansard*".

Mr. GARDINER: And he was suggesting that somebody would take it off.

Mr. DIEFENBAKER: We will not discuss that any more. May I say, Mr. Chairman, that *Hansard* will record it. If it is as accurate as you say it is, it will record, I think, that my interpretation was in accordance with the words used by the minister.

Now we come to the section in question:

Subject to any regulations that may be made by the governor in council—

That is not by parliament.

—the minister may

(a) Sell or export agricultural products to the government of any country or any agency thereof pursuant to any agreement made by the government of Canada with the government of such country or with such agency and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or export of agricultural products as he considers necessary or desirable.

Now, sir, the price is the price determined by the minister. The only control that is placed on the price is that the price which the farmer shall receive shall be in accordance with the price and the agreement which the minister has effected. Having regard to agricultural prices today in this country, as compared with those in the United States of America, this is asking parliament to place a tremendous power in the hands of the minister. I secured the latest prices I was able to obtain for farm products that would come within the ambit of this particular bill. The date in question is March 1, and the following are the prices that I have been able to secure: hogs in the United States, Chicago, $29.08; in Toronto, $16.50, grade A plus $1 per hundred pounds bonus. In the case of cattle, good steers, $25.15 at Chicago, $15 at Toronto. Lambs, $23.60 at Chicago, $16 at Toronto. Potatoes, $2.70 at New York, $1.23 at Saint John, per 75 pounds. Oats, on March 16, 99 cents Chicago, 61·5 Winnipeg. These figures indicate a large discrepancy as between prices in Canada and those in the United States. I suggest that the minister should consent to appending to this bill a list of the contracts to which this bill will be applicable. The other day he was kind enough to let me look over those contracts and also the orders in council founded thereon. If parliament is to retain any degree of control over the minister, a list of the contracts should be appended to the bill.

In regard to the other power which is conferred on the minister, namely, the power to make further agreements at his will, I suggest that is placing in him altogether too great a power. In other words, he continues to make agreements without consultation with parliament and without regard to prices which are determined upon. We have had this experience before, for instance, in connection with the wheat agreement. We are now about to enter into the field of an international wheat agreement. The government enters into an agreement, binds the country, and then comes back to parliament and says, "we require enabling legislation in order to support the contracts which we have entered into". All that amounts to, sir, is making parliament a pawn in the minister's hands to carry out the agreements that he makes, independent of parliament, without consultation with parliament and without permitting parliament to consider the prices, whether fair or unfair.

Mr. MITCHELL: I just want to ask my hon. friend this simple question; at least to me it is a simple one. How would he expect 243 people to negotiate an agreement of this kind?

Mr. DIEFENBAKER: Oh, that does not approach the subject at all.

Mr. MITCHELL: It is too direct.

Mr. DIEFENBAKER: As long as the minister stays with labour matters, he will have enough difficulties, I should think.

Mr. MITCHELL: I will take care of myself. Don't you worry about that.

Mr. KNOWLES: Take care of labour. Don't take care of yourself.

Mr. MITCHELL: I will take care of labour.

The CHAIRMAN: Order.

Mr. DIEFENBAKER: Let us in this case endeavour to restore to parliament its rightful place instead of turning over to a minister arbitrary and uncontrolled powers; for under this bill and under this section parliament is asked to show the greatest manifestation of faith in one man that any parliament has ever been asked to.

I come now to the question of the legality or illegality of this legislation. I shall refer to a case in point, because I should like to hear—and I am sure the committee would—my right hon. friend, the Minister of Justice, expounding the proposition upon which parliament is being asked to pass this legislation which is similar in part to that declared ultra vires in 1937, particularly having regard to the decision in the case of Attorney General of Ontario and Canada Temperance Federation, which is reported in 1946 Appeal Cases at page 193. I read in part from that judgment, dealing as it does with the question of emergency which heretofore lawyers have believed justified parliament in passing legislation which, in its essence, infringes on the rights of the province under provincial jurisdiction of property and civil rights. This is what the head-note says:

> The British North America Act, 1867, nowhere gives power to the dominion parliament to legislate in matters which are properly within the competence of the provincial legislatures merely because of the existence of an emergency.

And I repeat those words, "merely because of the existence of an emergency."

> An emergency may be the occasion which calls for legislation, but it is the nature of the legislation itself, and not the existence of emergency, that must determine whether it is valid or not. The true test must be found in the real subject matter of the legislation; if it is such that it goes beyond local or provincial concern or interests and must, from its inherent nature, be a concern of the dominion as a whole, then it will fall within the competence of the dominion parliament as a matter affecting the peace, order and good government of Canada, though it may in another aspect touch on matters specially reserved to the provincial legislatures.

The next portion of the head-note deals with the particular case. Having regard to the extraordinary powers which are asked for and what has happened to similar legislation in the past, I think the Minister of Justice might well, at the earliest possible moment, place before the committee and the country the attitude of the Department of Justice in regard to this bill and other similar emergency and extraordinary legislation.

The CHAIRMAN: Shall section 3 carry?

An hon MEMBER: Six o'clock.

Mr. FULTON: If it is necessary to say anything, I shall be glad to do so. But it is now six o'clock.

Progress reported.

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

Thursday, March 20, 1947

The house met at three o'clock.

WORLD HEALTH ORGANIZATION

CANADIAN DELEGATION TO GENEVA MEETING OF INTERIM COMMISSION

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, I wish to announce the personnel of the

Canadian delegation to the next meeting of the interim commission of the world health organization which will be held in Geneva, Switzerland, on March 28. The delegation is as follows: Doctor G. D. W. Cameron, deputy minister of national health, Doctor T. C. Routley, executive secretary of the Canadian Medical Association as alternate delegate, and Doctor J. A. Melanson, chief medical officer for New Brunswick, who will act as technical adviser.

Mr. GRAYDON: Will there be any delegates from Russia?

Mr. MARTIN: I can only say that that country is represented on the interim commission.

PRIVILEGE

MR. DIEFENBAKER—CORRECTION OF STATEMENT IN DEBATE ON MARCH 19

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, on a question of privilege and in fairness to the house, yesterday afternoon at page 1535 of *Hansard* I made this statement:

When his government came into power the first thing they did was to attack that act and appoint lawyers to argue that it was not within the powers of parliament.

I was referring to the Natural Products Marketing Act. My statement continued:

These lawyers represented the dominion government.

Mr. Ilsley: Is that so?

Mr. Diefenbaker: Yes; I have it here for those who want to read.

Sir, I was in error in that statement. I was misled by the nature of the question that was asked of the privy council, which was:

Is the Natural Products Marketing Act, 1934, as amended by the Natural Products Marketing Act Amendment Act, 1935, or any of the provisions thereof and in what particular or particulars or to what extent, ultra vires of the parliament of Canada?

Then I read from the argument that was advanced by counsel for the appellant, which were counsel for the province of British Columbia. So the statement I made yesterday was in error, and in fairness I wish to state that.

HOUSE OF COMMONS

QUESTIONS ON ORDER PAPER—FORM AND PROCEDURE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before questions are called perhaps hon. members will allow me to say just a word about questions as this is a matter which affects all of us, as respects both time and expense. I am sure hon. members have felt, as I have sometimes, a little bit annoyed at questions being called and then being allowed to stand, this continuing from week to week and occasionally from month to month. This has been due to the fact that some questions require a great deal of research before they can be answered. Many are standing on the order paper which might well be made orders for returns.

It is obvious that the question of time is important in getting into the business of the afternoon. If the time required for questions could be abbreviated it would be to the advantage of everyone.

There is also the question of the expense involved in preparing answers to some of the questions. It may surprise hon. members to know that that expenditure runs into very considerable figures, particularly in the preparation of returns. The house has from time to time drawn attention to the desirability of limiting rather than increasing the number of civil servants, but to answer many of these questions and to prepare returns involves bringing on additional staffs. That is one of the considerations which should be taken account of by members in preparing questions and notices of motion for which they wish to have returns.

I thought it desirable to ask the Clerk of the House, who is an authority on these matters, to give me a memorandum which I could read to hon. members so that they will not mistake the intention or purpose of the ministry where in answer to questions ministers may feel obliged to say that they have such-and-such information but cannot give more. Because a minister has not answered all that is asked for in a question is no reason why the question should stand. We have to take the responsibility for the answers we give. They may not be satisfactory, and exception may be taken to that fact, but the government itself must decide what answer it shall give to different questions.

Mr. FRASER: Before the Prime Minister reads the memorandum may I be permitted a question? Does he not think that some of the questions on the order paper save the taxpayers of Canada a great deal of money?

Mr. MACKENZIE KING: I have not as yet come across any of that kind that my hon. friend has asked.

Mr. FRASER: Thousands of dollars have been saved by these questions. Take "George's Wife," for instance.

Mr. MACKENZIE KING: I did not hear my hon. friend's remark, but I did see him nodding his head vigorously and I take it he was agreeing with me.

Mr. FRASER: A question I did ask last year saved the country a great many dollars.

Mr. MACKENZIE KING: Both the hon. member and the government are to be commended for that.

Mr. FRASER: The government would not have saved the dollars if I had not asked the question.

Mr. MACKENZIE KING: Mr. Speaker, may I now read this memorandum which I have received from the Clerk of the House, who is an authority on the rules and procedure of the house. The memorandum is as follows:

Members of the House of Commons are entitled under standing order 44 to place questions on the order paper seeking information from the ministers of the crown relating to public affairs. The rule does not compel ministers to answer but it says that in replying no facts are to be stated except so far as may be necessary. The rule also provides that no debate is allowed on the answer to a question.

It is a mistake to believe that any kind of question dealing with government business may be asked on the floor of the house. All the authorities such as Hatsell, May, Redlich, Cushing, Todd and Bourinot agree that unless certain rules are observed considerable time can be wasted in putting and answering injudicious questions.

The practice now followed with regard to questions in the house does not conform with parliamentary procedure as observed in other British parliaments. It has been decided in the United Kingdom house that a question cannot be placed on the order paper if it seeks information set forth in documents equally accessible to questioner, as statutes, published reports, et cetera. When questions seeking information published in public documents are placed on the order paper in the United Kingdom, the minister concerned replies by giving the title of the document or blue book in which this information can be found. All printed government reports are distributed free of charge to members of the house.

A rule on which the United Kingdom house is very firm is that questions are inadmissible when they deal with matters referred to a parliamentary committee. This rule does not deprive the member of his rights or privileges; it merely places him in the right channel for procuring proper information.

Public interest at large should be the guiding principle in publishing information on government matters. It seems unfair to the taxpayers of the country that thousands of dollars be spent in the preparation of answers on matters that have only a local interest.

In many cases a letter to a minister or deputy minister would be sufficient for the member to get all the facts required. The purpose of a question, as "May" says, is to obtain information or press for action, and it should not be in effect a short speech or limited to giving information or framed as to convey a particular point of view. The rules of the house are so framed as to allow every member to use his right of being informed as to management of public affairs, but it must be understood that in a house of 245 members it is desirable that certain rules be observed lest parliamentary procedure degenerate in confusion and chaos.

That is the end of the memorandum. I place it on *Hansard* in order that hon. members may not feel that when a minister considers it necessary to answer a question briefly or to draw attention to the fact that certain expenditures will be involved in answering the question, it may not be the thought that the government is seeking to do other than to meet the wishes of hon. gentlemen opposite. All we are seeking to do is to save time and to save expense.

May I add this further word, and this applies to notices of motion for the production of papers. The government should not be expected to be in the position of a reference library to gather together information for members which they are in a position to gather for themselves.

Mr. M. J. COLDWELL (Rosetown-Biggar): If the Prime Minister will permit a supplementary question on the statement he has just read, the authorities cited are nearly all British authorities, and I would ask whether they apply equally to this parliament, since our method of question and answer is fundamentally different from theirs. Members of the British parliament may put a question and then two supplementaries are permitted. It is much the same with research. The members here have few facilities for research, and the purpose of many of the questions is to seek information that would require a great deal of research on the part of a private member. I have often wondered whether facilities should not be granted to private members to get some research work done for them.

Mr. MACKENZIE KING: As my hon. friend knows, where there is no specific rule

to the contrary we follow the practice of the United Kingdom parliament. The memorandum which I have just read, in pointing out that the United Kingdom parliament follows a certain procedure upon which authorities are agreed was meant only as a general guide to the house. I am not stating that that is the precise rule we should follow, but that we seek to follow their practice in so far as it is advantageous for us so to do. In the British house, as I recollect, questions are put on the order paper which are answered in the same manner as our questions placed on the order paper are answered. The only questions that are allowed in addition to questions on the order paper when they have been answered are questions arising out of those answers. No new questions at all except by special arrangement with the Speaker in advance are allowed as is frequently done here. Further questions, as my hon. friend has said, are limited to supplementary questions.

As to the matter of research, I think the government would be only too ready to provide facilities where it is obviously desirable and possible that those facilities should be granted. But there can be a great abuse of the advantage of using the public service to gather information where that information is intended for local rather than national purposes. I am just suggesting that all hon. members take these factors into consideration.

Mr. GRAYDON: May I ask the Prime Minister if we might not adopt in some modified form, to meet the conditions of this parliament, the system which is followed in the old land? Actually what the Prime Minister says is partly true, but I think he might go a little farther. As I recall it, what happens in Britain is this. The question is first put on the order paper. This opens the avenue for further questions. The question which is first put on the order paper is not the main question at all; it is simply a lead, and then supplementary questions which are the real kernel of the nut are asked afterwards. It seems to me that something of the kind might be done to help us here; because whether by design or by accident this government has fewer questions directed to it than are directed to most governments under similar circumstances.

Mr. MACKENZIE KING: I do not think the hon. member is quite right in saying that questions put on the order paper in the United Kingdom are put there with the intention of opening the avenue to supplementary questions. They are put there to get an answer to those questions specifically. If the answer given is satisfactory there will be no supplementary questions at all. The important point is this: the purpose of having questions put on the order paper in the first instance is that the ministry may prepare itself for any additional questions that may be asked. In other words the ministry will not have to answer offhand any questions which may be asked on the orders of the day but will have an opportunity to become in advance fully informed in the event of any supplementary questions being asked in regard to any questions on the order paper.

Mr. GRAYDON: Urgent questions do not have to go on the order paper.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADAIR LIMITED

Mr. FRASER:

1. What was the cost to the dominion government for property, equipment, tools, etc., of Canadair Limited?

2. What was the total cost from the time of purchase of property by the dominion government until sold to a private firm recently?

3. What was the total of (a) materials; (b) maintenance; (c) wages; (d) other costs, during the time the dominion government owned and operated this plant?

4. What was the total amount of sales of planes, or other materials?

5. What was the sales price of the government-owned Canadair Limited which was sold or leased this year?

Mr. JACKMAN:

1. At what price was Canadair, Ltd., sold to Electric Boat, Ltd.?

2. Were any bids for Canadair, Ltd., received from Canadian industrialists or firms?

3. Who owned Canadair, Ltd.?

4. What was the cost?

5. What was the operating profit of Canadair in 1946? In 1945?

6. How much, if any, depreciation had been charged to operations in 1946? What was the total depreciation charged to operations since the inception of Canadair, Ltd.?

7. How many were employed by Canadair, Ltd., as at December 31, 1946?

Mr. HOWE: These questions have not been answered until now because to answer them without giving the background of the transaction might well be misleading. There is the further reason that announcement of a new long-range transport plane travels around the world, and it did not seem desirable to give any information about a new

plane until all the information was complete. I shall now ask the indulgence of the house to make a statement on the entire transaction which will, I think, answer all the questions relating to the matter which are on the order paper.

The aircraft plant at Cartierville, P.Q., was constructed by the dominion government in 1942, for the production of P.B.Y. (Catalina) and P.B.Y. (Canso "A") types of amphibian aircraft, in response to an urgent demand for aircraft of this type from the R.C.A.F. and from the air services of the United States, it being represented that important operational assignments made the procurement of these planes imperative. A total of 340 P.B.Y. aircraft were produced at the plant between September, 1943, and March, 1945, and in addition, 29 P.B.Y. aircraft were assembled, at St. Hubert, from parts built at Cartierville. A further 119 hulls and 172 centre sections were built at Cartierville and shipped as components to the United States. The first aircraft were delivered within nine months of the start of production. This was a remarkable feat for a group of working men and women who had little or no experience in aircraft manufacture. It will be seen from the production schedule, which I will ask to have printed in *Hansard,* that the aircraft were produced at a satisfactory rate, and that substantially more than half of the production was purchased by the United States government.

The total cost of the facilities at Cartierville, including land, buildings, plant, machinery and tooling, amounts to $21,825,777.33.

Early in 1944, it became apparent that additional orders for P.B.Y. types would not be forthcoming. It was imperative that plans be made either for closing the plant and laying off some 8,000 skilled workers then in employment, or alternatively that another type of aeroplane should be undertaken. Requirements for fighter planes for the R.C.A.F. were well in hand, but both R.C.A.F. and Trans-Canada Air Lines had substantial requirements for long range transport planes. The stated requirement of R.C.A.F. for long range transport was then a minimum of 50 aircraft, and for TCA, a minimum of twenty-five aircraft. At that time, practically all four-engine long range transport planes were being built in the United States, and, of course, the Douglas C-54 was generally considered to be the best. An extensive study was made by Canadian engineers, in collaboration with Douglas and Rolls Royce, to determine the type of plane best suited to Canadian requirements. The conclusion was that the commercial adaptation of the Douglas C-54, known as the DC-4, powered with Rolls Royce engines, would be the aircraft peculiarly well adapted to Canadian service and commercial air line requirements.

The government therefore negotiated with the Douglas Aircraft Company, and secured a licence agreement under which Douglas undertook to furnish plans of its DC-4 type, as well as its DC-6 type then being designed, and to assist in the development, redesign and construction in Canada of an aircraft based on Douglas designs and fitted with Rolls Royce power plants. In this arrangement, the Rolls Royce Company cooperated fully. The negotiations were completed in the fall of 1944.

The Cartierville plant had been built and managed for the crown, under a management agreement, by Canadian Vickers Limited, who had additional aircraft facilities at St. Hubert. Later, in 1944, the Canadian Vickers Company was engaged in an extensive shipbuilding programme for the allied navies and the merchant service, which involved heavy financial commitments. It was considered advisable to ask Canadian Vickers to divest itself of its management responsibilities related to the Cartierville plant, and to devote its full resources to shipbuilding. The government then entered into a management contract with a group of men who were at that time in charge, for Canadian Vickers, of the management of the Cartierville plant. These men formed a corporation, under the name of Canadair Limited, as a privately-owned management company, charged with the exclusive duty of operating the Cartierville plant as agents of the crown for the production of transport aircraft, as well as to carry out further commitments such as subcontracts for the United States navy for the production of P.B.Y. hulls and centre sections. These latter orders engaged the facilities at Cartierville until March, 1945. During the same period, engineering and tooling for the Canadian transport plane was advanced as rapidly as possible, having regard to the fact that Canadair, Douglas, and Rolls Royce were then filling important war commitments.

After the end of the European war in May 1945, United States subcontracts were terminated. Employment at Cartierville was then maintained by accepting contracts from commercial air lines in Canada, the United States, South America, and Europe to meet a desperate peacetime need for transport equipment. Engineering and tooling for our four-engine plane had not reached the point where facilities at the plant could be fully employed, and therefore orders were accepted from more

than 16 commercial operators for the conversion of United States Army Dakota type transports to the commercial DC-3 type. The work involved stripping down army planes and practically rebuilding them into transport types, almost the equivalent of building a new aeroplane. This work commenced in the early summer of 1945 and is still in progress. Up to the middle of September 1946, 87 DC-3 aircraft had been delivered, and this work is still continuing. The integration of these various programmes enabled a high level of employment to be maintained at Cartierville, and also enabled the plant to retain the services of trained personnel for the production, in due course, of a programme of four-engine transport planes.

The first four-engine transport plane, named the *North Star,* left the assembly line in June, 1946, less than two years after the programme was initiated. This prototype has performed satisfactorily, and has fulfilled the expectations of the group that planned the new plane. A total of seven finished aircraft have been produced to date, and it is expected that TCA will operate six of these planes in its regular transatlantic service on or about April 1st, 1947.

Out of several long range transport planes planned by manufacturers in the United States and the United Kingdom at about the same time, some of them earlier, only one is in operation to date, namely the Lockheed *Constellation.* Operational experience with that plane has not been altogether satisfactory, resulting in its being grounded for periods on two occasions. The Canadian plane being the second post-war transport plane, it was felt that exhaustive tests under all conditions of weather should be made before the plane was put in operation. These have been conducted during the winter months, and minor modifications have resulted. It is worthy of note that ours is the second post-war plane to go into operation. Not a bad record for Canada.

Total value of all production at the Cartierville plant up to September 14th, 1946, which is the date of transfer of the management to Electric Boat Company, was as follows:

U.S. government contracts and sub-contracts	$ 54,780,000
R.C.A.F. contracts for P.B.Y.'s	27,340,000
Trans-Canada Air Lines for DC-3 conversions	2,730,000
Foreign customers for DC-3 conversions	10,480,000
Inventory on hand at September 14, 1946	9,750,000
Total	$105,080,000

Employees at Canadair Limited at December 31, 1946, totalled 7,383 persons.

During 1946, the Electric Boat Company, a substantial American corporation, became interested in the Cartierville project. This company, with large financial resources, had examined carefully into Canadian economic conditions, and became convinced that it could wisely and profitably engage some of its liquid capital in Canada. After extensive negotiations, Electric Boat Company acquired substantially all of the stock of Canadair Limited, and has entered into an agreement with the Canadian government, effective as of September 14, 1946, covering the crown facilities, contracts, etc., at Cartierville. The main features of the agreement are as follows:

(a) Electric Boat Company to provide Canadair Limited with $2,000,000 working capital forthwith;

(b) Canadair Limited to waive all claim or right to fees or profits from the beginning of its operations to and including September 14, 1946;

(c) Canadair Limited to buy at book value the assets of the project, as at September 14, 1946, exclusive of plant, tools and automotive equipment, and to assume the liabilities as set out on the balance sheet of the project prepared as of that date;

(d) Canadair Limited to buy such automotive equipment as it might require, at prices to be agreed upon with War Assets Corporation;

(e) Canadair Limited and the government to enter into a fifteen-year lease-option agreement covering the plant facilities and tools, under which the company will pay a fixed annual rental of $200,000, and will have an option to acquire all of the facilities, including the tools, at an inclusive price ranging from $4,000,000 in the first year to $2,511,961 in the 15th year;

(f) Of the assets to be purchased by the company, a balance of $3,886,821.10 to be paid for in equal quarterly instalments from June 30, 1947 to December 31, 1948, with interest on the unpaid balance at the rate of 3½ per cent per annum;

(g) The government to assign to Canadair Limited its licence agreement with the Douglas Aircraft Company;

(h) Canadair to agree to sell to the government and Trans-Canada Air Lines 24 R.C.A.F. type and 20 T.C.A. type aircraft at negotiated fixed prices of $630,000 and $660,000 each respectively, sales tax extra.

Before entering into this agreement, the Department of Reconstruction and Supply satisfied itself that this company is able to provide capable and experienced management for the plant. Mr. W. Oliver West, an early officer of T.C.A., who had since become manager of operations of the Boeing plant at

Seattle, and had been in responsible charge of the gigantic war production of Boeing, was designated as president of Canadair. The government is satisfied that the present Canadair Company is providing expert and experienced management for the Cartierville property.

Shortly after the war ended, requirements of both the R.C.A.F. and T.C.A. were revised downward. The present requirement of R.C.A.F. is for 24 aeroplanes and for T.C.A., 20 aeroplanes. This reduction in requirements has of course added to the cost of each individual plane, although the cost of the planes is still well below the cost of purchasing and importing into Canada planes of competitive type.

I will now table a statement showing aeroplanes produced each month from the Cartierville plant, together with a list of purchasers of DC-3 conversions. I would ask that these tables be printed in *Hansard*.

I believe that this statement answers all questions regarding this matter now standing on the order paper.

Summary of Aircraft and Major Components built, converted, and overhauled and repaired at Cartierville Crown Plant from January, 1943 (commencement) to 14 September, 1946

Date	P.B.Y. Aircraft Hulls	P.B.Y. Centre Section	North Star Aircraft	Conversion and Overhaul of Douglas C-47 and DC-53 Aircraft
1943				
September	3	..	..	..	..
October	9	..	..	..	..
November	13	..	..	..	..
December	11	..	..	..	..
1944				
January	16	..	..	..	..
February	16	..	..	..	..
March	25	..	..	..	..
April	26	..	..	..	..
May	27	..	..	..	..
June	16	..	..	..	..
July	25	..	..	..	..
August	22	..	..	..	..
September	1	..	..	..	..
October	20	..	..	..	..
November	26	..	..	..	..
December	30	6	6	..	..
1945				
January	30	1	1	..	..
February	22	4	16	..	..
March	2	12	28	..	..
April	..	15	26	..	..
May	..	21	22	..	..
June	..	24	32	..	1
July	..	20	24	..	4
August	..	16	18	..	2
September	..	..	..	..	5
October	..	..	..	..	6
November	..	..	..	..	5
December	..	..	..	..	7
1946				
January	..	..	..	..	2
February	..	..	..	..	5
March	..	..	..	..	8
April	..	..	..	..	7
May	..	..	..	..	6
June	..	..	..	..	8
July	..	..	..	1	10
August	..	..	..	..	5
September (1st-14th)	..	..	..	..	6
	340	119	172	1	87

N.B. During the period February to August, 1943, an additional 29 P.B.Y. aircraft were produced at Cartierville for final assembly at St. Hubert.

83166—99½

Summary of Conversion Jobs by Purchasers June, 1945 (commencement) to 14 September, 1946

Purchaser	Nature of Job	Quantity
A.B. Aerotransport (Sweden)	C-47 to DC-3	3
Aviquipo—Mozambique	C-47 to DC-3	3
Aviquipo—Portugal	C-53 to DC-3	4
Aviquipo—Spain	C-53 Special	1
Colonial Airlines Inc., U.S.A.	C-47 to DC-3	3
Eldorado Mining & Smelting (1944) Ltd.	C-47 Special	1
Doris—Yellowknife	C-47 Special	1
Eastern Airlines, Inc., U.S.A.	C-53 to DC-3	15
French Air Mission	C-53 to DC-3	5
Linea Aeropostal Venezolana	C-47 to DC-3	3
Netherlands Purchasing Commission	C-47 Overhaul	12
Norseman Air Transport U.S.A.	C-47 Special	1
Northeast Airlines Inc., U.S.A.	C-47 Overhaul	1
Royal Norwegian Purchasing Commission	C-53 and C-47 to DC-3	5
SABENA Belgium	C-49 and C-47 to DC-3	7
T.C.A.	C-47 to DC-3	20
USCAN Engineering Ltd., Canada	C-47 Special	1
ZONA Argentina	C-47 to DC-3	1
	Total	87

Mr. FRASER: Is the minister tabling the financial statement?

Mr. HOWE: After my hon. friend has examined this statement, if he has any supplementary questions we shall be glad to consider them.

WAR ASSETS—OFFICE EQUIPMENT

Mr. BROOKS:

1. How many (a) typewriters; (b) adding machines; c) calculating machines; (d) mimeograph or duplicating machines, have been disposed of since January 1, 1945, through War Assets Corporation?

2. How many of each such type of machine have been sold back to their original manufacturers?

Mr. FRASER:

1. Since January 1, 1946, what is the total number and cost of all new office equipment purchased by the government, classified in accordance with the type of equipment, for example: desks, chairs, filing cabinets, tables, etc.?

2. Since January 1, 1946, what is the total number and value of all office equipment, classified as above, disposed of by the government through War Assets Corporation or other means?

Mr. FRASER:

1. To what firms, or individuals, did the War Assets Corporation sell office equipment?

2. What quantity was sold to each individual, or firm?

3. What price was paid by each individual, or firm for same?

4. What was the original price of this office equipment?

Mr. McILRAITH: On February 17, in answer to the two questions standing in the name of the member for Peterborough West and the one in the name of the hon. member for Royal, the Minister of Reconstruction and Supply made a lengthy statement. I do not propose to repeat that statement now, but it was pointed out that the answers to the questions as asked would be incomplete and that they would involve an expenditure of about $5,000. It was left to the hon. members whether in the circumstances they desired to have the answers provided, and since that time nothing more has been said about the matter. The questions have continued to stand on the order paper. I suggest, in the light of the circumstances, that unless hon. members otherwise desire, the statement be taken as an answer, without prejudice to their right to redraft their questions and put them back on the order paper in a form in which they can be answered, having regard to the difficulties I have mentioned.

Mr. BROOKS: I suggest that they be either answered or dropped. The cost about two weeks ago was $3,500 and now it is $5,000; if they remain on much longer, dear knows how much more the cost will be.

Mr. KNOWLES: It will go up, like the cost of living.

Mr. SPEAKER: Dropped.

Mr. McILRAITH: So that the record will be straight, I want to read an excerpt from the minister's statement as reported at page 476 of *Hansard* of February 17:

I trust that under the circumstances hon. members will decide for themselves whether the three questions are worth $5,000 to the recipients. I suggest that in the meantime, if

hon. members are not willing to allow them to drop, the questions stand for further consideration.

Mr. BROOKS: There is another item somewhere else.

Mr. GRAYDON: Mr. Speaker, this looks like concerted action by the government to throw up a smokescreen on the question of expense.

Mr. MACKENZIE: The official lecturer of the opposition.

Mr. SPEAKER: Dropped.

I. G. FARBENINDUSTRIE

Mr. McCULLOUGH (Assiniboia):

1. Is the I. G. Farben company or any subsidiary of such company operating in Canada?
2. If so, what is the nature of produce of these companies and what are their affiliations with other companies?

Mr. GIBSON (Hamilton West):

1. No; investigations are still proceeding with the view of ascertaining any relations which the I. G. Farbenindustrie may have had with Canadian enterprises through affiliated or subsidiary enterprises or companies in allied or neutral countries.

2. Answered by No. 1.

HOUSING—SHOQUIST CONSTRUCTION COMPANY

Mr. JOHNSTON:

1. How many houses has the Shoquist Construction Company contracted to build and/or has built for the Department of Reconstruction and Supply, and/or the Central Housing and Mortgage Corporation?
2. Where are these houses located?
3. How many types of houses are there being built and/or have been built by this company?
4. (a) What is the total amount of money paid to this company to date? (b) what is the total amount of money yet payable under the contract?
5. What is the contract price for each type of house?
6. What provision is made in each type of contract for the payment of fair wages to employees?
7. What provision is made in each type of contract for the payment of fair wages to subcontractors' employees?
8. What provision is made in each type of contract for the payment of fair wages in the case of piece work by (a) contractor; (b) subcontractor?
9. Does the contract specify that outside painting be done by brush or by spray gun or both?

Mr. McILRAITH:

1. 300 houses for Wartime Housing Limited.

2. In Calgary, Alberta.

3. Three types.

4. (a) At February 10, 1947, $398,073.31; (b) at date, $334,377.21.

5. H.5/6—4 room (asbestos shingle siding), $1,900.41; (wood siding), $1,942.41.

H.15/16—6 room (asbestos shingle siding), $2,443.56; (wood siding), $2,491.56.

H.45/46—5 room (asbestos shingle siding), $2,307.13; (wood siding), $2,355.13.

The above contract calls for sheet rock, masonite, asphalt shingles, asbestos shingles, rough lumber, hardwood flooring, mineral wool insulation and paper and felts being supplied by Wartime Housing Limited.

6, 7 and 8. In all cases, the main contract specifies that wages and working conditions shall conform to the requirements of provincial legislation and to current practice for the trades in the area. Subcontractors are bound by the labour requirements of the main contracts.

9. Contract specified first coat—brush; other two may be sprayed.

BARBED WIRE AND NAILS

Mr. WHITE (Middlesex East):

1. How many tons of steel have been used each year in the manufacture of barbed wire since the inception of the wartime regulations on barbed wire?
2. What was the estimated saving in steel each year due to these regulations?
3. What has been the production, in tons, of nails in the years from 1938 to 1946, inclusive?

Mr. McILRAITH:

1. Production of barbed wire from the outbreak of world war No. 2:

Year	Production N.T.	Steel Required N.T.
1939	12,449	16,600
1940	13,509	18,012
1941	14,105	18,806
Average	13,354	17,806
1942	10,085	13,447
1943	9,802	13,068
1944	12,556	16,741
1945	11,680	15,573
Totals (1942-45) ..	44,122	58,829

Note: Restrictive order re production of barbed wire first issued June 30, 1942.

2. Based on the 1939 to 1941 average, the consumption of steel for the years 1942 to 1945 inclusive would have amounted to 71,224 net tons. Actually 58,829 net tons were used during this period for the production of barbed

wire, therefore, a total of 12,395 net tons were made available for more essential products.

3. Production of nails:

	N.T.
1936	59,342
1937	62,399
1938	57,806
1939	66,493
1940	73,287
1941	82,632
1942	74,378
1943	73,563
1944	64,923
1945	70,021

1946 only 58,831 net tons produced due to steel strike.

WARTIME HOUSING—ARVIDA

Mr. GAGNON:

1. How many houses in the city of Arvida, county of Chicoutimi, Quebec, are owned by wartime housing?

2. Has wartime housing decided to sell these houses to the Aluminum Company of Canada, Arvida? If so, on what terms?

Mr. McILRAITH:

1. 334.

2. Negotiations are pending, but no final agreement has been reached as yet.

WAR ASSETS—CAMP BORDEN FURNITURE AND FIXTURES

Mr. CHURCH:

1. What firm of auctioneers have been engaged to auction off the furniture and fixtures at Camp Borden military camp?

2. Who are the members of this firm?

3. What experience has this firm had; on what basis are they paid and on whose recommendation were they appointed?

4. What is the name of the auctioneer of this company who is conducting the sales and what experience has he had?

5. Will a cost price be given of each article sold and an estimate of the selling price published before each sale?

6. What other work, if any, has been given this firm by the government since the beginning of the recent war?

7. Does this firm conform to civic and municipal by-laws applying to all auctioneers and warehousemen?

Mr. LAPOINTE:

1. No government owned property under the control of national defence was disposed of by public auction. Equipment purchased from regimental funds and not required by permanent or reserve army units was disposed of by public auction by Ward-Price Limited, auctioneers, Toronto.

2. Information not available.

3. Information regarding experience not available. The firm was engaged on the recommendation of the district officer commanding approved by command headquarters and paid on a commission basis from proceeds of sales.

4. Mr. Jack Miller. Information regarding experience other than through sales conducted for army units not available.

5. No.

6. None by the Department of National Defence. Employed by army units at Petawawa and in the Toronto area for sales by public auction of unit owned equipment.

7. The department has every reason to believe that the district officer commanding was satisfied that the firm operates under proper authority.

GOVERNMENT AND NATIONAL RAILWAY HOTELS

Mr. DIEFENBAKER:

1. In what hotels has the government or the C.N.R. an investment and what is the amount in each hotel?

2. What has been the net profit of each such hotels annually during the past ten years?

3. Has the government made any studies as to the desirability from an economic point of view of a new railway hotel for the city of Montreal?

4. If so, what is the estimated cost of such an hotel?

5. How much money has been appropriated by the government or the C.N.R. for this construction?

6. Have any architects, engineers or designers been employed by the government or the C.N.R. to prepare preliminary or other plans and specifications for a hotel in Montreal?

7. If so, who are they and what is the amount of fees or other compensation paid or payable to each of them?

Mr. CHEVRIER: I can only repeat what I said yesterday with respect to this question. Perhaps my hon. friend will now be willing to drop it.

Mr. SPEAKER: Dropped.

LONGUEUIL, QUE., MILITARY CAMP

Mr. POULIOT:

1. Is there still any barbed wire surrounding the site of the military camp at Longueuil? If so, what is the length of such wire?

2. Is it the intention of the government to have same removed?

3. If so, when will the work be done?

Mr. LAPOINTE:

1. Yes. 2880 linear feet of four-barbed, six inch space, double strand barbed wire on top of a ten foot high wooden fence and 1500 linear feet concertina wire also on the fence.

2. Yes.

3. After 1 May, 1947.

RADIO BROADCASTING—FREQUENCY 540 K.C.

Mr. LENNARD:

1. Is frequency No. 540 k.c. a frequency that was allotted to Canada?

2. If so, what station in Canada has been granted the privilege of licence to operate over it?

Mr. McILRAITH:

1. The frequency of 540 kcs. is outside the standard broadcast band, 550-1600 kcs. Under the provisions of a special bilateral agreement with the United States the frequency of 540 kcs. may be used in Canada for broadcasting purposes in the province of Saskatchewan only.

2. CBK, Watrous, Saskatchewan, which is licensed to the Canadian Broadcasting Corporation.

*WAR CONTRACTS

Mr. STEWART (Winnipeg North):

1. How many corporations in Canada with capital subscribed of (a) $1,000,000 and over; (b) $500,000-$1,000,000; (c) $100,000-$500,000; received war contracts between 1st September, 1939 and V-J day?

2. What was the value of contracts received by each of the above groups?

3. What was the total value of war contracts awarded between 1st September, 1939 and V-J day?

Mr. HOWE: Perhaps I could answer this orally. The government has no information as to what private corporations have capital subscribed of $1,000.000 or $500,000. I am afraid that it will be difficult to answer the question in its present form. Perhaps my hon. friend will agree to its being dropped and reworded.

Mr. STEWART (Winnipeg North): I shall be glad to do that.

Mr. SPEAKER: Dropped.

INCOME TAX—VARIOUS CATEGORIES

Mr. MacINNIS:

1. What was the aggregate number of persons paying income tax for the calendar years 1938. 1942, 1944 in the following categories: (a) employees, clerical and professional; (b) employees, manual workers; (c) professional and small businesses; (d) farmers; (e) agricultural workers; (f) others?

2. What was the aggregate income taxes paid by persons in the following categories for the calendar years 1938, 1942, 1944: (a) employees, clerical and professional; (b) employees, manual workers; (c) professional and small businesses; (d) farmers; (e) agricultural workers; (f) others?

Mr. McCANN: Completed records are available only for the calendar years 1941 and 1942. Statistics for earlier years were maintained on a fiscal year assessed basis and contained a mixture of figures for several calendar years. Records for calendar years subsequent to 1942 are still being compiled.

The occupational classifications used in compiling income tax statistics are not identical with those outlined in the questions; in particular, employees consist of a single large group and are not subdivided into manual, clerical or agricultural as asked for. Subject to these limitations the information requested is contained in the following schedule.

1939-40 Fiscal Year

(Pertaining mainly to taxpayers filing for the 1938 calendar year)

Occupation	Number of taxpayers assessed	Tax assessed
Farmers	1,721	$ 151,549
Professional	11,838	3,226,989
Employees	227,261	19,502,030
Merchants—retail	13,817	2,194,306
Merchants—wholesale	1,867	649,895
Manufacturers	1,705	529,253
Natural resources	314	67,300
Financial	18,188	14,314,183
Personal corporations	919	5,362,903
All others	15,467	5,473,101
Total	293,097	$ 51,471,509

1942 calendar year

Occupation	Number of taxpayers assessed	Tax assessed
Farmers	21,158	$ 3,271,190
Professional	19,382	14,041,362
Employees	1,573,189	230,713,052
Salesmen	11,039	4,225,488
Business proprietors.	92,437	35,560,380
Armed services	12,215	3,940,579
Financial	37,892	33,855,541
Estates	3,014	3,567,388
All others	10,918	6,516,215
Total	1,781,244	$335,691,195

1944 calendar year

Information not yet tabulated.

TREASURY BOARD

Mr. McCUAIG:

1. How many persons are on the treasury board?

2. What are their names?

3. Who appointed them?

4. What remuneration does each such person receive?

Mr. MACKENZIE KING:

1. Six.

2. The Minister of Finance (the Hon. D. C. Abbott), the Right Hon. J. L. Ilsley, the Right Hon. J. G. Gardiner, the Hon. J. A. MacKinnon, the Right Hon. Louis S. St. Laurent, the Hon. J. J. McCann.

3. The Minister of Finance is a member of the treasury board and chairman thereof by virtue of sections 8 and 11 of the Department of Finance and Treasury Board Act. The other members are appointed by the governor in council.

4. None.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL FILM BOARD

Mr. DIEFENBAKER:

1. What expenses for travelling and otherwise were paid by The National Film Board in each of the years 1940 to 1946 inclusive giving particulars of the individuals concerned and the amounts paid to each?

2. Were any expenses incurred or work done in the taking of pictures or other work by the film board in (a) the United States of America; (b) Mexico; (c) China; in each of said years? If so, how much and to whom paid?

3. Where any of such expenses referred to in the preceding question charged to Canada's contribution to UNRRA? If so, how much in each year?

ACCELERATED DEPRECIATION ALLOWANCES

Mr. McMASTER:

1. What amount of accelerated depreciation has been allowed to individuals or firms for the purpose of (a) erecting or extending or improving buildings; (b) other purposes?

2. What were the amounts of the ten largest allowances for (a) buildings; (b) other purposes?

CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. FLEMING:

1. What changes, if any, have been made in the appointments of officers and directors of Central Mortgage and Housing Corporation since July 1, 1946?

2. Where do all the officers and directors of the Corporation respectively reside?

3. What is the remuneration of each officer and director?

4. How many meetings of the Corporation have been held, and on what dates, and who were present at each?

5. How many meetings has the Board of Directors held, and on what dates, and who were present at each?

6. How many meetings has the Executive Committee held, and on what dates, and who were present at each?

[Mr. McCuaig.]

7. How many employees has the Corporation?

8. (a) How many offices has the Corporation; (b) where are they located; (c) how many persons are employed in each?

9. (a) What scale of salaries and wages and pension or superannuation benefits has been established for officers and employees; (b) what is now the monthly payroll; (c) does the board of directors contemplate further extension of staff and payroll?

10. What expenditures have been made by the Corporation, and for what purposes?

11. What steps have been taken and expenditures made by the Corporation on research, and on what types of research?

Mr. McILRAITH: Return tabled.

AGRICULTURAL IMPLEMENT COMPANIES—DEPRECIATION ALLOWANCES

Mr. KNOWLES:

1. What special depreciation allowances and/or accelerated depreciation allowances were granted to (a) the Massey-Harris Company, Limited; (b) the Cockshutt Plow Company, Limited, for each of the following years: 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946?

2. In respect of what plant or plants of each of these companies were any such allowances made?

3. Who is the present owner of each of such plants?

4. What use is now being made of each such plant?

MERCURY

Mr. KNIGHT:

1. Has the Consolidated Mining and Smelting Company ceased to produce mercury?

2. Is the Canadian government presently purchasing mercury?

3. How much mercury, and at what price, was purchased by the Canadian government during the years 1940-1946?

4. Did Canada purchase any of the mercury from a cartel in Spain previous to the last war?

5. Did the Spanish interests refuse to supply Canada with mercury after the outbreak of war?

6. Did they export their mercury to Germany?

7. Is Canada again purchasing mercury from Spain?

8. What is the market price of mercury at the present time being paid to Spanish interests?

9. Are the owners of the Pinchi Lake mine in Canada, now closed down, prepared to sell the accumulated stock at that price?

10. What is the main peacetime use of mercury?

11. Is all the mercury now entering Canada from the United States produced in the United States?

12. If not, where is such mercury produced?

13. Have any Canadians or Canadian corporations any interest in the Spanish cartel which sells mercury to Canada?

14. How many men were customarily employed during the war at Pinchi Lake mine in the production of mercury?

MOTOR VEHICLE MANUFACTURERS—SPECIAL OR ACCELERATED DEPRECIATION

Mr. COLDWELL:

1. Has any special or accelerated depreciation been granted to Ford Motor Company of Canada, Limited, Chrysler Corporation of Canada, Limited or General Motors of Canada, Limited, between January 1, 1939, and December 31, 1946?

2. If so, what are the amounts granted to each of these companies during this period?

SALMO, B.C., EMERALD MINE

Mr. HERRIDGE:

1. Was the Emerald mine at Salmo, B.C., purchased by an agency of the federal government?

2. If so, when, from whom and at what price?

3. What was the total expenditure on development, buildings, machinery, equipment, etc.?

4. What was the total value of production shipped from the mine during period of operation?

5. When were operations discontinued and for what reason?

6. Was inventory taken of machinery, tools and equipment on site when operations discontinued? If so, what was the value of same?

7. Has the Emerald mine been sold? If so, to whom and at what price?

8. Was an inventory taken of machinery, tools and camp equipment on site just prior to sale? If so, what was the value of the same?

9. What were the total expenses incurred in taking such inventory?

10. On what dates was inventory taken and what are the names of the employees who took said inventory?

HUDSON BAY RAILWAY

Mr. KNIGHT:

1. Are the cattle pens at Churchill in a state of good repair?

2. Was any of the material of these yards disposed of to the American forces during the war?

3. If so, upon what terms?

4. Is the Hudson Bay railroad officially listed as being a railroad under construction?

5. Has the Canadian board of transport commissioners jurisdiction over freight rates on the Hudson Bay railroad?

6. If not, for what reason?

7. Does the general manager of the Hudson Bay railroad spend his full working time on this road?

8. How many trains a week run between The Pas and Churchill?

9. Has the government received requests that a royal commission be set up to enquire into the whole matter of the road and port?

10. If so, what action was taken as a result of such requests?

DEPRECIATION ALLOWANCES

Mr. COLDWELL:

What amounts of special and accelerated depreciation were allowed to Canadian industries between January 1, 1939 and December 31, 1946?

AMMONIUM NITRATE

Mr. McCULLOUGH (Assiniboia):

1. Does the Canadian government hold patent rights on picrite? If not, who holds these patent rights and on what conditions did the Canadian government dispose of these patent rights?

2. Is the production of picrite carried on at the present time in the Welland plant? If not, for what period was it produced?

3. Did the terms of agreement of sale of the Welland plant to the North American Cyanamid Company provide for any definite production either as to kind of material, amount thereof, or employment of wartime workers in said plant?

4. At what date and for how long, while under government control, did the Welland plant produce ammonium nitrate?

5. What did the ammonium nitrate produced at this plant sell for during this period (a) in Canada; (b) in the United States?

6. Is the North American Cyanamid Company now producing ammonium nitrate? If so, what is the cost f.o.b. factory?

7. Is the North American Cyanamid Company the parent company and/or an affiliate of any other Canadian company? If so, what are these companies?

METEGHAN WHARF, CLARE, N.S.

Mr. BLACK (Cumberland):

1. Did the government expropriate or purchase the area known as the "Reserve" at Meteghan wharf, in the township of Clare, Nova Scotia?

2. If so, from whom and what compensation or expenses were paid and to whom?

3. To whom did the government sell or lease the property and at what prices or rental charges?

4. Is the land still necessary for the purposes for which it was acquired, if not, will it be retained by the crown and made available for the use of the previous owners or occupants?

WARTIME PRICES AND TRADE BOARD—PROSECUTIONS, WELLAND AND LINCOLN COUNTIES, ONTARIO

Mr. LOCKHART:

1. How many prosecutions have been instituted by wartime prices and trade board in the counties of Welland and Lincoln during (a) the year 1945; (b) the year 1946; (c) the year 1947 to date?

2. In how many instances were convictions registered (a) in Welland county; (b) in Lincoln county?

3. What was the total amount of fines collected in (a) Welland county; (b) Lincoln county?

4. What was the total cost during (a) the year 1945; (b) the year 1946; (c) the year 1947 to date, for (1) legal fees; (2) travelling expenses, giving the name to whom paid in each case?

5. What amounts were paid to investigators as travelling expenses in (a) 1945; (b) 1946;

(c) 1947 to date, in connection with the convictions registered in (a)Welland county; (b) Lincoln county, giving the name of the person to whom payment was made?

Mr. MAYHEW: Return tabled.

UNITED STATES CITIZENS IN CANADIAN ARMED FORCES

Mr. FRASER:

1. Are there any citizens of the United States of America holding commissions in the Canadian permanent force, navy, army or air force?

2. If so (a) in what branch of service; (b) what are their names; (c) what is the rank of each; (d) length of service?

3. Have these Americans made application for Canadian citizenship?

4. If not, is it required that they do so to remain in the service?

SOLDIER SETTLEMENT—VETERANS OF FIRST WORLD WAR

Mr. BENTLEY:

1. What was the total amount of loans to veterans of the first great war, 1914-18, by the soldier settlement board?

2. Of this indebtedness (a) how much has been repaid to the board; (b) how much has been written off; (c) how much is still owing?

3. How much of the soldier settlement board's capital investment has been (a) repaid; (b) the cost of administration; (c) the cost of collection?

4. At the end of the government's fiscal year 1945-46: (a) what percentage of these veterans, and the number, were still on their soldier settlement farms; (b) of these, how many had fully repaid their loans; (c) how many were still in debt to the board; (d) what was the amount of the remaining indebtedness; (e) how many of such settlers had (i) exceptionally good land; (ii) been free from disasters such as hail, drouth, frost, etc.; (iii) some outside source of revenue, such as inheritances?

TRANSLATORS—LADISLAUS BIBEROVICH

Mr. WINKLER:

1. How many translators of foreign languages are there in the employ of the government?

2. Was Ladislaus Biberovich so employed since 1939? If so, when?

OLD AGE PENSIONS

Mr. NICHOLSON:

1. How many persons, including old age pensioners received pensions paid by the dominion government in the last year for which statistics are available (a) in excess of $10,000 per annum; (b) $5,000 to $10,000 per annum; (c) $2,000 to $5,000 per annum; (d) $500 to $2,000 per annum; (e) less than $500 per annum?

2. What were the totals paid in each of the above brackets?

[Mr. Lockhart.]

VETERANS AFFAIRS

DISPLACEMENT OF VETERANS AND PENSIONERS BY PERSONS WITHOUT PREFERENCE

On the orders of the day:

Mr. J. O. PROBE (Regina City): I wish to direct a question to the Minister of National Defence. Has he received a telegram from the Regina branch of the Disabled Veterans' Association protesting the displacement of veterans and pensioners, including amputation cases, at National Defence building, 16 R.O.D. Regina, in favour of non-veterans, and informing him that veterans are apparently being told that a condition of continuing employment at this building was that they join the army for a period of three years?

Hon. BROOKE CLAXTON (Minister of National Defence): I have not received such a telegram, but today I received a letter referring to such a telegram. I have not been able to look into the question yet but I will do so. From what I know of the way in which the army works, I am certain that the facts are not as related.

Mr. E. G. McCULLOUGH (Assiniboia): I should like to ask a question of the Minister of Veterans Affairs. Are veterans employed by the Department of Veterans Affairs being let out while others with no overseas veterans' preference are being maintained on the staff? If so, what is the exact policy of the government in this regard?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I do not believe that statement is generally true. It might apply in specialized cases. I shall be very glad to look into my hon. friend's question further and give him an answer later.

OLD AGE PENSIONS

INQUIRY AS TO PROPOSED AMENDMENT TO ACTS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to direct a question to the Prime Minister. Will the government consider introducing at an early day as an emergency measure its proposed amendments to the Old Age Pensions Act?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I made a statement of the government's intentions with respect to old age pensions at the beginning of the session. My

hon. friend will find the reference in *Hansard*. The answer today would be the same as he will find there.

Mr. KNOWLES: My question relates to the urgency of the matter. It is quite clear that it is to be done this session, but the months are going by.

Mr. SPEAKER: Order.

CANADAIR LIMITED

AIRCRAFT "NORTH STAR"—QUESTION AS TO USE OF JET ENGINES

On the orders of the day:

Mr. L. W. SKEY (Trinity): I should like to direct a question to the Minister of Reconstruction on the statement which he has just made. Did the dominion government, in making a contract with the Electric Boat Company for the purchase of Canadair Limited, provide in any way for experimental work with jet engines in so far as the *North Star* is concerned? I ask this question because I understand that jet transport aircraft are now a commercial proposition and will make obsolete conventional types at present in production.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The government is conducting development work, both on design of jet engines and on the development of aircraft to be operated by jet engines, but that work is being carried out at Malton. There is no jet development involved in the work at Cartierville.

INCOME TAX

COMPULSORY SAVINGS—REQUEST FOR REPAYMENT IN ADVANCE TO PERSONS IN NEED

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I wish to direct a question to the Minister of Finance. About two weeks ago I asked him if he would take into consideration the payment of compulsory savings before the due date. Is he now prepared to make a report on that?

Hon. DOUGLAS ABBOTT (Minister of Finance): I am not in a position to make any statement on it. The matter has already been considered and is being given further consideration, but I would not want to hold out any hope that it will be possible to do that. There are a great many difficulties in the way. The payments which fall due by March 31, 1948, which are the compulsory savings portion of the 1942 taxes, will be made within that period. That involves a substantial number of cheques and a substantial amount of clerical work. I cannot add anything to that, other than to say that the whole question is receiving consideration.

INDIVIDUALS AND CORPORATIONS—ARREARS

On the orders of the day:

Hon. J. J. McCANN (Minister of National Revenue): I wish to make a statement with reference to a question asked by the hon. member for Lake Centre (Mr. Diefenbaker), on Monday last. It had to do with the amount of income tax, interest and penalties thereon owing in each district office for income tax for each of the years 1939 to 1945 inclusive, in respect of individuals and corporations. That question was modified to the extent that he did not require the amount of interest and penalties. It is not possible to answer the question in the form in which it was asked, as it would entail a detailed analysis of over three million taxpayers' ledger cards. I may say that we do not do business, perhaps, according to the method that is ordinarily followed in accounting in industrial or mercantile firms. There is a ledger sheet and card set up for each individual taxpayer. And whatever credits there are to his account—for instance, if he pays in quarterly payments—are put to his credit. When the assessment is made, he is then debited with the amount of that assessment.

I might say to the hon. member that we will give such information as is available at the present time. I shall place on *Hansard* an analysis of the figures for March 31, 1946. Perhaps I should add that this is a consolidation of district office figures, according to the provinces in which the offices are situated. It so happens that there is a defect, from the standpoint of its being a provincial summary, in that some of the districts stretch into adjacent parts of other provinces. For instance, the district of Ottawa not only takes in certain counties in Ontario, but also extends up to districts such as Abitibi in Quebec. However, we will put this information on the record today. Although it shows the amounts outstanding, I might add that those outstanding amounts for the whole of the country amount to only three per cent of the actual collections made during the year ended March 31, 1946. While we have no breakdown as to former years, instructions have been sent out to district offices calling

for this data as of March, 1947. It will take about two months before the information is available.

Department of National Revenue—
Taxation Division

Recapitulation of Outstanding Taxes—
March 31, 1946

(Including Income tax, Excess Profits tax, and Succession Duty)

District

	Number of Taxpayers	Amount Outstanding
Charlottetown	368	$ 130,537
Halifax	23,628	1,707,297
Saint John	9,492	829,327
Quebec	16,191	3,261,465
Montreal	95,216	14,809,162
Ottawa	23,036	2,518,473
Kingston	2,646	596,251
Belleville	2,081	204,337
Toronto	50,096	7,465,940
Hamilton	16,064	1,488,288
London	16,197	2,474,920
Fort William	7,767	711,737
Winnipeg	13,120	2,223,308
Regina	3,999	1,660,017
Saskatoon	2,496	328,797
Calgary	5,876	997,730
Edmonton	6,007	752,656
Vancouver	34,008	3,267,777
Total	328,288	$45,428,019

Province

	Number of Taxpayers	Amount Outstanding
Prince Edward Island	368	130,537
Nova Scotia	23,628	1,707,297
New Brunswick	9,492	829,327
Quebec	111,407	18,070,627
Ontario	117,887	15,459,946
Manitoba	13,120	2,223,308
Saskatchewan	6,495	1,988,814
Alberta	11,883	1,750,386
British Columbia	34,008	3,267,777
Total	328,288	$45,428,019

The figures for Ottawa district include those taxpayers who reside in the counties of Abitibi, Hull, Papineau, Labelle, Temiskaming, and Pontiac in the province of Quebec. Separate figures for the taxpayers residing in these counties are not available.

The figures for the district of Dawson are not available.

In addition to the district office totals, accounts of 36,297 taxpayers amounting to a total of $2,633,435 have been transferred to head office. These are accounts of untraceable taxpayers, deceased no estate, and uncollectible accounts.

[Mr. McCann.]

CIVIL SERVICE

INQUIRY AS TO REPORTED CONSIDERATION OF SALARY ADJUSTMENTS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Secretary of State. Is he in a position to make any comment on the statement which appeared in the press yesterday, which was attributed to the hon. member for Ottawa West (Mr. McIlraith), that civil service salary adjustments are being considered by the treasury board?

Hon. COLIN GIBSON (Secretary of State): I am not in a position to make a statement on that.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS

The house resumed from Wednesday, March 19, consideration in committee of Bill No. 25, to provide for the sale and export of agricultural products—Mr. Gardiner—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: Before proceeding may I point out that when the committee rose last night it was considering section 3. May I remind the committee of standing order 58(2) which states:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

It has occurred to me that considerable latitude has been allowed hon. members in the committee up to the present time. From now on, however, I believe we should hold strictly to the rules of relevancy.

Mr. POULIOT: Would the minister be kind enough to answer the questions I put to him yesterday regarding actual commitments for exports to other countries?

Right Hon. J. G. GARDINER (Minister of Agriculture): I have all the answers, although one is still to be sent down to me. I understood however that the Minister of Justice desired to answer some of the questions asked by the hon. member for Lake Centre. When we have the legal side out of the way, I shall immediately give answers to the questions asked yesterday.

Mr. POULIOT: The minister will be good enough to give the answers this afternoon?

Mr. GARDINER: Yes, as soon as the Minister of Justice has spoken.

Mr. ILSLEY: Mr. Chairman, the hon. member for Lake Centre (Mr. Diefenbaker) requested that an opinion be obtained from the law officers of the crown regarding the constitutionality of the measure before the house. I suppose it is in order to read that opinion while this section is before the committee, because it is this section which confers powers upon the minister, and the validity of which has been questioned.

Mr. POULIOT: How is it that the minister's opinion is not enough?

Mr. ILSLEY: I am told it is not the practice for the Minister of Justice to give legal advice to the House of Commons. When legal advice is given to the house, he merely passes on what the law officers of the crown have decided, instead of giving his own opinion. I am told that is the practice in parliament. However, I shall add my own opinion. I think on most occasions it will be the same as that of the deputy minister.

The memorandum of the deputy minister, as furnished to me, is as follows:

Ottawa, March 20, 1947.

Memorandum for Minister of Justice Re Bill 25

You asked for an opinion as to the constitutional validity of the proposed agricultural products act now under consideration by the House of Commons.

Clauses 3 and 4 of the bill merely authorize the Minister of Agriculture, pursuant to agreements between Canada and the governments of other countries for the sale or export of food supplies, to enter into contractual transactions relating to the purchasing, storing, processing, selling and exporting of agricultural products, and in this connection to require any person to give information respecting his facilities for storing or processing of the same. These clauses contemplate a system of voluntary trading and appear to be clearly within the jurisdiction of parliament.

Clause 5, in effect, authorizes the minister, acting pursuant to regulations of the governor in council, to requisition supplies for the fulfilment of the contracts already referred to, and to determine the prices to be paid for such supplies. It is this power to requisition and fix prices that is called in question.

The decision of the privy council given in 1937, holding the Natural Products Marketing Act, 1934, to be invalid, has been mentioned as relevant to the question This act provided for the establishment of a dominion marketing board with power to regulate the time and place at which products should be marketed, and the manner of distribution, and the quantity and grade of the same, and to prohibit marketing of any products. It was held to be unconstitutional because, in effect, it purported to regulate transactions completed within a province and having no connection with interprovincial or export trade; that is to say, the purpose of the act was to regulate the conduct of business including business confined to a single province.

The present bill has no such regulative purpose but is merely designed to enable the government to fulfil its international obligations to continue to sell and export food supplies to distressed countries in order to maintain economic stability and to insure an orderly transition from war to peace. These national obligations arise directly out of the war. The power to requisition supplies by the government for such a purpose would seem to me to be in no way analogous to the powers to regulate trading given by the Natural Products Marketing Act, 1934.

There is, however, to my mind, a very definite analogy between Bill 25 and the act of parliament relating to paper control enacted in 1919 and held by the Privy Council to be valid in the case of Fort Frances Pulp and Power Company Limited and Manitoba Free Press Company Limited. The purpose of that legislation was not only to control prices of paper but also to control the supply of paper itself during the abnormal conditions following the war of 1914-1918.

Reference is made in the preamble to the bill to an existing national emergency as establishing the need for the proposed legislation and it has been suggested that the validity of the statute depends on the existence of such a national emergency. In this connection the view has been put forward that as a result of the decision of the Privy Council in the recent case of Attorney General of Ontario et al v. Canada Temperance et al the existence of such an emergency is no longer a valid basis for an act of parliament which affects property and civil rights in the provinces. I do not read the Canada Temperance Act case as having this result but on the contrary it seems to me to be abundantly clear that it holds that an emergency may not be necessary to validate federal legislation which in another aspect touches upon matters specially reserved to the provincial legislatures. The true test, according to this decision, is whether the real subject matter of the act goes beyond local or provincial concern and must from its inherent nature be the concern of the dominion as a whole. Such an act is within the competence of parliament though it may in another aspect touch upon matters specially reserved to the provinces. I should think that Bill 25 satisfies this test.

In the most recent pronouncement upon the subject of the emergency legislative power of parliament, viz., in the Japanese reference, the privy council said that very clear evidence that an emergency has not arisen or that the emergency no longer exists is required to justify the judiciary in overruling the decision of the parliament of the dominion that exceptional measures were required and were still required.

For the reasons given it is my opinion that the bill is within the competence of parliament to enact.

I do not think it is necessary to add anything to that opinion. Yesterday the hon. member for Lake Centre put forward the view, not dogmatically but for the considera-

tion of the government, that the doctrine of emergency no longer was valid as a basis for dominion jurisdiction. He cited in support of that position the Canada Temperance Act case, and stated that that position had been taken by the editor of the *Fortnightly Law Journal,* and perhaps by others. Bearing in mind what I said in reply to the hon. member for Temiscouata, I am not going to venture into an opinion on the matter. However, I have read the Canada Temperance Act case and the subsequent case, that of the Japanese reference, and it appears to me that the true effect of the decision in the Canada Temperance Act case is that there does not have to be an emergency to found jurisdiction on the part of the dominion; that the dominion may have the power even when there is no emergency to legislate for the peace, order and good government of Canada, even though its legislation touches upon matters ordinarily regarded as solely within provincial jurisdiction. In other words, the judgment of the judicial committee of the privy council as given by Lord Simon extends rather than narrows the powers of the dominion as they had therefore been conceived. It must be remembered that the Canada Temperance Act decision was not against the dominion; it was in favour of the dominion. It held the Canada Temperance Act to be a valid exercise of dominion constitutional powers. I do not think that in any sense that judgment can be taken as a decision narrowing the powers of the dominion to legislate in a national emergency.

Even in that judgment it was said that an emergency may be the occasion of legislation which under the general powers of peace, order and good government is valid. The subsequent case, that of the Japanese reference, founded the powers of the dominion pretty solidly upon national emergency. If the hon. gentleman has read the headnote in the Dominion Law Reports report of the case he will see the vexation of the headnote writer at what he considered to be the inconsistency of the judicial committee of the privy council. But I do not think there is any real inconsistency there. In this case, the case of the Agricultural Products Marketing Act, if I were asked to describe the nature of the emergency referred to in the preamble, I would describe it, perhaps not in legal or court language but in practical language, as being something like this: Great national interests are at stake in the sense that as an aftermath of the war the economic stability of the greatest national customer that this country has had in the past is endangered and it is in the national interest that food should continue to flow to the people of Great Britain in order that they may be in a position to produce goods and exchange them for our goods in the future and continue to be the great market that they have been in the past.

If a condition arises under which that position is imperilled as a result of war and during the war and for a reasonable time after the war, there is an emergent and extraordinary situation which puts in danger great national interests and justifies legislation by this parliament under the heading of peace, order and good government. As I say, these may not be the only aspects of the emergency but these aspects are, I submit, sufficient to occasion a valid exercise of the powers under the peace, order and good government clause.

To sum up: We do not need, under the Canada Temperance Act case, to establish a national emergency. Under that case a national emergency may be the occasion for passing legislation which is valid under the peace, order and good government clause. If there is a national emergency, that in itself may be the foundation of our jurisdiction, under the Japanese reference case and under the Fort Frances case. The emergent or extraordinary circumstances in this post-war situation, are, I believe, sufficient to form the basis of a valid exercise of the dominion's constitutional powers in the manner set out in the bill before the house. In that opinion I am supported by the Deputy Minister of Justice.

Mr. DIEFENBAKER: I thank my right hon. friend for the detail in which he has answered the question I raised yesterday as to the constitutionality of this measure and of others that are before the house whose constitutionality must be dependent upon grounds other than that they come exclusively within the powers of the dominion parliament. I am not entering into any argument with the minister on this question because, as the minister said, no one can be dogmatic on matters such as this. After all it is not what one's opinion may be that ultimately determines the question; the final determinant will be the courts of the land. Equally strong opinions were given in 1934 as to the constitutionality of the Natural Products Marketing Act and the other measures of reform legislation which were so necessary to the welfare of the people but which, by reason of the distribution of powers as between

the dominion and the provinces the courts determined were not within the legislative ambit of the dominion parliament.

I shall do no more than place before the committee the supporting evidence to which I made reference yesterday. I referred to Mr. Chitty, K.C. and his opinion given in the *Fortnightly Law Journal* of June 1, 1946, shortly after the opinion of the privy council had been handed down. Without going into detail, the conclusion to which he came was that the privy council had exploded the emergency doctrine.

As I listened to the minister today I was impressed by this fact, that there must be a line of demarcation when the federal parliament may no longer contend that the powers are exercised not because they come under section 91 but being under section 92 are available because they arise under the peace, order and good government clause. As I understood the minister's justification of this legislation it was that the economic stability of the United Kingdom, our greatest customer, was in grave danger; that it was necessary in the interests of our own economic survival to preserve that economic unit, and for that reason the dominion must be presumed to have the power to entrench upon property and civil rights within the provinces. The arguments of those holding that view were dealt with in this article by Mr. Chitty in these words:

> Much therefore as our constitutional theorist friends would like to see the Fort Frances case—

To which the Minister of Justice made reference:

> —as a precedent for an all-powerful dominion that could create emergencies at its whim and arrogate to itself overriding powers to legislate in any sphere without regard to the views of the provinces, we are afraid that even the Fort Frances case is a broken reed. That case never went further, as a sound precedent, than to decide that the emergency upon the existence of which the right to resort to government by order in council under the War Measures Act depended might continue to exist even after the war had officially come to an end.

The great danger with legislation such as this, commendable as it may be, is that a government may centralize power in Ottawa to the detriment of the provinces under the excuse of an emergency by the simple expedient by setting forth in the preamble that an emergency exists. There is danger to the set-up of conferedation in emergency legislation or in legislation passed under the general powers relating to peace, order and good government; for surely there must come some point where the dominion cannot use such an excuse of an emergency to secure for itself the power to interfere with the exclusive jurisdiction of the provinces over property and civil rights.

More than that I am not going to say. I have raised the point and the law officers have given their opinion. But in regard to this legislation and also the wheat board legislation which requires compulsory powers it is interesting to note that away back in 1922 an opinion was given by the then deputy minister of justice denying the right of parliament to pass legislation compulsorily controlling the distribution or sale of farm products.

Mr. ILSLEY: In 1922?

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: That was quite a long time after the war was over.

Mr. DIEFENBAKER: The war ended officially in 1921, did it not?

Mr. ILSLEY: I do not know when the treaty of peace was signed.

Mr. HAZEN: In 1921.

Mr. DIEFENBAKER: In 1921, and the question arose as to the continuance of the wheat board that was in existence during the first world war and in particular as to the power of the dominion parliament to pass legislation compulsorily dealing with wheat. The then prime minister, Mr. Mackenzie King, at page 940 of *Hansard* of April 19, 1922, read the opinion of Mr. Newcombe, an outstanding lawyer, then deputy minister of justice, and subsequently a judge of the Supreme Court of Canada. I am not going to read it in detail. The Prime Minister on that occasion said this:

> With reference to the fourth report of the select standing committee on agriculture and colonization, in which the house concurred on the eleventh instant, I may say that the government has obtained the written opinion of the law officers of the crown upon the question thereby suggested as to the constitutionality of the reconstruction of the Canadian wheat board, and that opinion is now submitted for the information of the house.

There were many who believed that the Canadian wheat board should be continued, but it was discontinued in 1921. The Prime Minister at that time gave the opinion of the law officers of the crown, and this is the essence of that opinion. It will be found at page 942 of *Hansard* of 1922:

> It is clear that so long as a subject matter of legislation finds place within the enumerations of provincial powers it does not belong to the dominion under its general authority to make laws for the peace, order and good government

of Canada. It is certain that the essential compulsory powers of the wheat board are prima facie included in the provincial enumeration of property and civil rights or local matters in the provinces. In my opinion these powers do not lie within the field which may be occupied by the execution of the dominion power to regulate trade and commerce, as that power has been expounded in successive decisions by the ultimate tribunal of appeal; and I think it may be affirmed without uncertainty that the necessary reconstructive powers are not comprehended in any other of the dominion enumerations. While I do not suggest a doubt that conditions of export from the dominion and foreign trade relations may be regulated by parliament, I am impressed with the view that these powers cannot be made a cover for legislation which denies the freedom of contract, capacity to buy and sell and the maintenance and exercise of proprietary rights which exist under the provincial laws. The powers of criminal legislation which belong exclusively to the dominion are in their application to this case of an ancillary character and cannot as such be invoked to afford a sanction for measures in themselves ultra vires. Consequently it is my opinion that the reconstruction of the wheat board in the present circumstances with the powers conferred thereon by the orders in council is a project constitutionally incompetent to the parliament of Canada.

The opinion of the then deputy minister of justice, Mr Newcombe, was concurred in by the minister of justice, Sir Lomer Gouin, and by Mr. D. D. McKenzie, who was leader of the Liberal party in 1917 and until the present Prime Minister became the leader. The essence of the opinion was that the compulsory features that were part and parcel of the Wheat Board Act were ultra vires. You will remember, sir, that after the first great war there was a serious economic condition. We have heard it repeated on a number of occasions in this chamber that prices were up and that subsequently there was deflation. These deflationary conditions were to a large extent in existence in 1921 and continued in 1922; yet at that time, even though it would have been of great benefit to the farmers to have the wheat board continued—and the western farmers demanded the continuation of the wheat board because of the then existing economic conditions—the opinion of the Department of Justice was that the granting of compulsory powers to control the direction, the diversion or distribution of wheat was not within the power of parliament.

I present this argument, sir, for the purpose of placing before the committee the other side of the question and the opinions given by another deputy minister of justice during a time of serious economic emergency.

I want to thank the minister for the opinion he has given. I have discharged my responsibility in asking for it.

[Mr. Diefenbaker.]

Mr. GARDINER: I agreed to put on the record some information with regard to the questioning which was done the other evening. A question was asked as to the number of cattle that were being shipped to the United States, and I gave a round figure of 70,000. There was some discussion as to what that represented, and I finally said that it would be better to get the figures correct and bring them here, or refer to the figures which had already been placed on *Hansard*. The figures are as follows: For dairy cattle, 69,539; purebred cattle, all kinds, 33,675, which makes a total export of 103,219.

A question was asked as to what was the highest year's export of eggs to Great Britain under our contract. The highest year's shipment to Britain was 1945 with approximately ninety million dozen delivered. A question was asked as to the proportion of exports to domestic consumption of farm products during the war. I am informed that the figures are not compiled and therefore not available beyond 1943. I have the figures for each year from 1939 to 1943 and they are as follows:

Exports, Imports and Domestic Disappearance of Agricultural Products as Percentages of Production, Canada, 1939-43

Year	Exports per cent	Imports per cent	Domestic disappearance[1] per cent
1939	22·03	4·34	68·42
1940	22·71	5·38	67·51
1941	26·03	5·41	81·78
1942	22·29	3·93	68·25
1943	44·30	5·01	87·92

[1]Note: Domestic disappearance, plus exports, minus imports, does not equal 100 per cent of production because of the influence of year-to-year changes in stocks.

Source: Quarterly bulletin of Agricultural Statistics, Vol. 38, No. 1, Dominion Bureau of Statistics.

I hold in my hand another sheet which does contain information which the hon. member for Temiscouata desired. I am sure the committee would not wish me to read it. The statement is a return which was made to the house in the session of 1946.

Mr. MacNICOL: Put it on *Hansard*.

Mr. GARDINER: I can have it put on *Hansard* with one more year added to it, if that will be suitable to *Hansard*. The question asked was for everything up to date. This statement is not up to date but it covers what was required. It has to do with the

quantity of each food product sent by Canada each year from 1940 to 1945 inclusive to the various European countries, and what amount to each country. That information down to the end of 1946 was asked for last evening. The information for the year 1946 had not been compiled when I came into the house today but it will be completed and if the committee will permit I will have it all put on *Hansard*.

AGRICULTURAL EXPORTS TO EUROPEAN COUNTRIES, 1940-1946

—	1940	1941	1942	1943	1944	1945	1946
	lb.	lb.	lb.	lb.	lb.	lb.	lb.
Beef, Fresh—							
United Kingdom				385,600	98,080,000	184,377,700	123,787,400
Mutton and Lamb—							
United Kingdom					1,135,600	7,357,900	10,324,300
Bacon, Hams, Shoulders—							
Total Europe	344,148,900	460,800,200	524,951,900	560,319,800	692,326,400	446,509,300	286,029,100
United Kingdom	344,147,100	460,800,200	524,951,900	560,309,300	692,310,300	446,069,300	286,029,100
Italy						440,000	
Malta				10,500	16,100		
Belgium	1,800						
Canned Meats (N.O.P.)—							
Total	6,096,250	171,237	5,681,112	10,726,038	35,217,941	94,861,848	138,089,012
United Kingdom	6,096,152	171,237	5,681,112	10,726,038	33,837,826	16,044,062	3,329,032
Albania						329,586	
Austria							9,093,092
Belgium						18,933,991	12,728,784
Czechoslovakia						8,140,800	13,559,905
France	98				22,464	18,747,412	14,253,872
Greece					156	9,952,984	97,942
Germany						604,680	48,636
Italy					1,298,779	917,899	13,559,107
Hungary							147,608
Netherlands						8,268,168	
Poland						9,814,424	40,630,275
Russia						4,132,998	18,500,140
Yugoslavia						8,974,844	12,136,872
Malta					58,716		3,807
Pork, Dry Salted—							
Total Europe						1,931,800	
Italy						1,822,800	
Yugoslavia						109,000	
Pork, Pickled—							
United Kingdom	3,800	400				4,500	
Edible Animal Entrails (N.O.P.)—							
Total Europe	8,848,100	11,315,200	10,643,000	9,068,500	14,230,000	10,318,600	
United Kingdom	8,785,000	11,315,200	10,643,000	9,068,500	14,230,000	10,318,600	4,810,600
France	63,100						
Meats (N.O.P.)—							
Total Europe	26,900	36,000	113,200		40,800	617,900	5,451,100
United Kingdom	26,900	36,000	113,200		40,800	603,700	199,500
Italy						14,200	5,172,900
Poland							58,700
Sweden							20,000
Pork, Fresh—							
United Kingdom	121,100			14,912,400	10,375,100		
TOTAL MEATS	359,245,050	472,323,037	541,389,212	595,412,338	851,405,841	745,979,548	568,491,512
Seeds—							
United Kingdom lb.			222,120	1,710,285	6,199,895	4,304,496	1,686,358
U.S.S.R. "					1,127,865	3,196,549	
Austria "						13,309,060	
Belgium "					746,180	6,534,276	
Czechoslovakia "					858,281	2,450,800	
Denmark "						474,890	
France "						805,840	
Germany (U.K. zone) "						1,029,932	
Greece "					2,137,390	1,100,000	
Netherlands "					590,575	1,175,020	
Norway "						40,050	
Poland "					1,905,070	7,100,040	
Sweden "						619,980	
Switzerland "						269,125	
Yugoslavia					4,356,700	10,924,560	

AGRICULTURAL EXPORTS TO EUROPEAN COUNTRIES, 1940-1946—*Conc.*

—	1940	1941	1942	1943	1944	1945	1946
	lb.	lb.	lb.	lb.	lb.	lb.	lb.
Fruits and Vegetables—							
To United Kingdom—							
Canned Apples..... cases	702,511	.....	.....	.....	.....	.....	202,994
Evaporated Apples..... lb.	3,136,350	5,807,350	6,727,050	3,360,000	5,328,700	.....	80,000
Dried Apple Pomace..... "	931,106	2,104,334	.....	.....	.....	.....	.....
Fresh Apples..... bbl.	.....	111,044	.....	160,968½	166,842	25,130½	642,581
Fresh Apples..... boxes	.....	1,199,990	.....	199,998	524,988	719,126	2,218,661
Concentrated Apple Juice. bbl.	.....	3,982	.....	.....	.....	.....	.....
Dried Beans..... bus.	.....	.....	.....	49,780	443,170	.....	124,910
Canned Diced Carrots... cases	.....	.....	.....	55,738	.....	.....	.....
Canned Corn..... "	.....	.....	.....	1,000	1,000	.....	.....
Fruit in SO_2..... lb.	2,535,270	6,691,879	1,186,640	.....	1,600,200	.....	.....
Greengage..... "	.....	.....	.....	.....	.....	410,000	747,840
Fresh Onions..... "	.....	800,000	.....	.....	.....	.....	.....
Raspberries in SO_2..... "	.....	.....	.....	.....	.....	2,688,400	4,681,875
Canned Tomatoes..... cases	.....	300,000	.....	.....	.....	.....	202,900
Tomato Pulp..... "	.....	.....	51,779	.....	.....	.....	.....
Tomato Puree..... cans	.....	.....	28,798	.....	.....	.....	.....
Dehydrated Vegetables.. lb.	.....	.....	2,386,980	10,152,524½	12,752,375	3,297,478	.....
Dried Peas..... "	.....	.....	.....	.....	.....	.....	317,002
Certified Seed Potatoes—							
To France—							
Sacks containing 100 lb.....	.....	.....	.....	.....	167,400	.....	.....
To Holland—							
Bushels, packed in 100 lb. bags..	.....	.....	.....	.....	.....	749	.....
Shell Eggs—							
To United Kingdom..... cases	355,910	511,220	137,782	.....	.....	1,352,985	1,790,311
Powdered Eggs—							
To United Kingdom..... lb.	.....	.....	11,690,868	11,774,983	27,575,763	17,916,685	7,419,872
Dairy Products—							
Butter—							
United Kingdom.....	.....	.....	.....	7,088,506	.....	.....	.....
Greece.....	.....	.....	.....	.....	100	.....	.....
Norway.....	.....	.....	.....	.....	.....	6,200	.....
Cheese—							
United Kingdom.....	93,081,238	115,392,071	142,092,573	116,200,000	123,138,058	126,687,236	92,104,624
Belgium.....	60,500	.....	.....	.....	.....	.....	.....
Italy.....	.....	.....	.....	.....	.....	95,300	.....
Norway.....	.....	.....	.....	.....	.....	500	.....
Evaporated Milk—							
United Kingdom.....	34,038,200	30,895,632	32,083,296	14,439,744	14,500,832	33,770,001	29,324,352
Czechoslovakia.....	.....	.....	.....	.....	.....	168,000	.....
France.....	.....	.....	.....	.....	222,000	2,838,800	.....
Gibraltar.....	28,800	.....	.....	.....	.....	.....	.....
Greece.....	.....	.....	.....	.....	.....	48,000	.....
Italy.....	.....	.....	.....	.....	5,671,000	474,000	.....
Netherlands.....	.....	.....	.....	.....	.....	8,856,900	.....
Poland.....	.....	.....	.....	.....	.....	168,000	.....
Yugoslavia.....	.....	.....	.....	.....	.....	96,000	.....
Skim Milk Powder—							
United Kingdom.....	.....	.....	.....	.....	.....	.....	6,006,982
Belgium.....	.....	.....	.....	.....	.....	2,033,100	.....
Czechoslovakia.....	.....	.....	.....	.....	.....	50,000	.....
France.....	.....	.....	.....	.....	.....	3,844,800	.....
Italy.....	.....	.....	.....	.....	.....	400,000	.....
Poland.....	.....	.....	.....	.....	.....	150,000	.....
Whole Milk Powder—							
United Kingdom.....	.....	.....	.....	.....	.....	4,224,720	.....
Belgium.....	.....	.....	.....	.....	.....	249,900	749,980
France.....	.....	.....	.....	.....	4,000	199,800	999,984
Italy.....	.....	.....	.....	.....	.....	160,000	.....
Netherlands.....	.....	.....	.....	.....	.....	48,000	.....
Portugal.....	.....	.....	100	200	.....	300	.....
Dressed Poultry—							
To United Kingdom.....	688,368	6,600	.....	258,335	1,973,089	.....	7,600,000

Mr. Gardiner.]

Later:

Mr. GARDINER: May I have the permission of the house to place two sets of figures upon *Hansard*? I promised to do this this afternoon but I neglected to do it.

Some hon. MEMBERS: Agreed.

Mr. GARDINER: The statements are as follows:

Statement Showing Price Paid for Agricultural Products Purchased by Dairy Products, Special Products and Meat Boards of the Department of Agriculture

	Meat and Meat Products
1939-40	$ 7,617,556 75
1940-41	65,314,181 75
1941-42	87,914,954 27
1942-43	109,787,214 97
1943-44	175,024,054 96
1944-45	186,636,510 30
1945-46	160,097,092 87
1946-47	110,295,153 11
To Feb. 28/47	$902,686,718 98

	Dairy Products (Cheese and Concentrated Milk)
1939-40	$ ..
1940-41	15,243,958 48
1941-42	19,558,281 97
1942-43	31,559,179 66
1943-44	27,926,641 84
1944-45	30,803,681 32
1945-46	33,026,356 38
1946-47	23,978,411 32
To Feb. 28/47	$182,096,510 97

	Special Products (Eggs, Fruit and Vegetables, Flax and Seeds)
1939-40	$ ..
1940-41	..
1941-42	9,011,735 26
1942-43	16,461,321 37
1943-44	26,241,999 88
1944-45	55,267,817 64
1945-46	54,853,076 15
1946-47	52,885,823 44
To Feb. 28/47	$214,721,773 74

Breakdown of Apple Subsidy Figures
1939-1947

1939-40
N.S. ..$1,021,061 07

1940-41
N.S. ..$3,518,350 35
B.C. .. 708,698 39
Ont. .. 4,097 82
Total $4,231,146 56

1941-42
N.S. ..$1,763,084 33
B.C. .. 496,859 82
Total $2,259,944 15

1942-43
N.S. ..$2,639,236 76
B.C. .. 261,627 75
Total $2,900,864 51

1943-44
N.S. ..$1,868,548 61
B.C. .. 6,971 75
Total $1,875,520 36

1944-45
N.S. ..$1,110,495 54
B.C. .. 84,045 30
Total $1,194,590 84

1945-46
N.S. ..$ 354,340 64

1946-47
N.S. ..$ 572,214 00

Mr. ROSS (Souris): I should like to make a suggestion to the minister on this section. As has been pointed out by various ministers, this is to fulfil contracts with Britain, and one of the most important items cited has been the bacon contracts with Britain, in which we have fallen short in the last few years. Coupled with this matter, the minister on March 17 made an announcement as to prices to be paid for oats and barley for the feeding of animals for meat products for those contracts, setting a floor price of 90 cents for barley, and pointing out that there would be a drawback or payment of 25 cents a bushel for that barley to those who did not grow barley and feed animals; and coupled with that, that there would be free freight from Fort William to eastern points and from Calgary and Edmonton to the west. That means that the people who produce the grain are certainly not going to feed hogs in the prairie provinces. It gets away entirely from the theory that we have always been led to believe in, that industry should be established close or adjacent to raw materials and power.

I do not think anyone will deny that if we are to have a sound economic system there is some truth in that theory, and therefore much the soundest economy would be to feed the animals on the same farm where the feed is grown for them. It would avoid dislocation in man-power and get rid of transportation difficulties.

When your feeders in the east buy grain at Fort William and are allowed a rebate of 25 cents a bushel on barley, it means in round figures that they will have an advantage of approximately $5 per hog over the man who grows feed on the same farm where he has produced the hogs in the west. That is quite a little item right there. The point I want to make is this. We have had a wide variation in the marketing of hogs in different parts of Canada, and it has been stated repeatedly that people in the United States obtain anywhere from 50 to 100 per cent

more for their meat products in the Chicago market than we are getting in Canada today.

Apart from that, according to the live stock market review of February 8, put out by the Department of Agriculture. A dressed hog sold in Edmonton for $19.90 per hundredweight; in Winnipeg $20.55; in Toronto $21.75; in Montreal $22.25. That is a difference per hundred pounds dressed pork, as between Edmonton and Montreal, of $2.35 per hundredweight. I am not objecting to this freight assistance on feed grain. I am in favour of freight assistance to feeders in other parts of Canada. But when you consider that these feeders are receiving that freight assistance, and subsidies to the extent of $5 per hog on the feed for their animals, which I think comes out of the federal treasury, then if we are bound to have this system of subsidies, there should be some equalization of transportation costs to the eastern seaboard under the bacon arrangement.

I think the western producer is entitled to consideration there to balance up all that has been done for feeders in other parts of Canada. That $5 per hog is quite a distinct advantage. It is more than a 25 per cent difference in the cost to the feeder in his feed alone. The difference in freight between Edmonton and Montreal is, in round figures, considerably over ten per cent. When it is all added together, it represents a great disparity to the producers of bacon products in various parts of Canada.

I noticed in one of the newspapers today that leading authorities in the west have said that this policy will not get the desired increase in bacon production in Canada, and I fully agree with those who have made that statement as reported in the press in the last few days. I hope that the minister will give serious consideration to these points that I have raised and endeavour to establish a basis of equalization in transportation costs throughout the country in relation to the eastern seaboard, at least for the fulfilment of these bacon contracts. That could be readily done if we must have a system of subsidies for the fulfilment of these contracts. I would rather get along without anything of the sort, but if we are to have it there should be more fairness in the system.

Mr. GARDINER: One or two things I would like to say with regard to that, largely for the purpose of attempting to get the plan into the minds of our farmers particularly, in the light that we had hoped to.

In the first place, I am not going to attempt to answer the suggestion or propose a remedy for the suggested difficulty relating to the fact that freight is paid on grain coming east but freight is not paid on hogs. I will not attempt to meet that suggestion but will leave it for what it is worth and proceed to deal largely with the feed grain position.

The paragraph which appears in the announcement I made the other day, as reported at page 1408 of *Hansard*, perhaps does not explain the intention as fully as it might:

> Feeders, on the other hand, will be protected against any important increase in costs of the oats and barley they buy by appropriate subsidies, until the release of the products they sell from ceiling price controls. It will be observed that under this plan buyers and sellers may trade with each other without the intervention of the board, within the limits of the new floors and ceilings.

In other words, that paragraph anticipates that some time or other there will be a removal of ceilings not on grain alone but on other products and therefore some adjustments may require to be made. But what it is important to bear in mind at the moment is this. When the farm organizations and provincial representatives were here in December they made a proposal to the government. That proposal was that we pay $5 an acre on barley, and it was conditional upon the view held at that time that in all probability ceilings would not come off many of these products until the end of the crop year 1947-48.

We have already taken the ceiling off eggs, and probably ceilings will be coming off some other products as we proceed. With that condition existing, it was not thought that it would be possible to proceed along the proposed line of paying subsidies on an acreage basis, and I think that was fairly well agreed by all those who discussed it in December—that if the inclination was in that direction it would be possible to proceed that way. At the same time it was suggested that if we could not proceed that way then we should consider raising the prices of the feed grain to those who produce it in order to encourage the production of it. At that time I raised the question myself, as a representative there of the dominion government as to what the position would be in relation to the prices of hogs themselves if the price of grain were allowed to advance in Canada. Of course it was obvious at once that there would have to be some increase in the prices, or at least the producer of hogs contended that there should be some increases in the prices obtained. Immediately following that meeting, the British did propose an increase in the floor price of hogs; that is the floor price being continued as a result of the contract which we made on bacon and ham with Britain. There was a suggested increase of $4 a hundred on

bacon, to begin in October. We discussed with them the possibility of advancing that amount and of paying $2 of it immediately. We sent Mr. Pearsall over to Britain along with Mr. Jones to discuss this with the British government, and it was agreed to. I am just stating this in order to indicate that the advance in price for hogs, which has been made as a result of the increased price on bacon, ought to be taken into consideration when gauging the relationship which now exists or will exist from September 1 on as between whatever the price of grain is then and the price of the product.

In addition to that, we should consider at the same time the fact that at some time—I do not know whether it will be in 1947 or will run on into 1948—ceilings will probably come off all meat and other products, and the adjustments which are then made with regard to grain prices will be made accordingly. I presume if the ceiling is off everything which is to be fed, then the ceiling may be off the grain too. But if it is not, there will have to be some adjustment of some kind to carry us along for a time.

Mr. MILLER: Would that be after the termination of existing contracts? No ceilings would come off until existing contracts had expired?

Mr. GARDINER: It would all depend on when a condition develops which will develop sooner or later. I do not know when it will develop, and I do not think anyone in the house can help me in that regard. I think we all believe, however, that sooner or later there will be a reduction in prices on the United States side of the line. If nothing else brings that about, greater production there of pork and other products will tend to do so. It has already been happening in connection with some dairy products. That being the case, there may come a time during this year or next when that balance may be reached—and it may be reached also with regard to grain—and when, by taking off ceilings, the whole thing would reach its own level and there would be no necessity for any further controls in order to obtain sufficient meat to fill the British contract, except to maintain the floor price in proper relationship to the domestic price. If the ceilings are taken off meats, dairy products, eggs and other things, then probably the ceilings can be taken off grain too, and the whole position may find its proper level at that time. But I repeat that does not deal with the question which is raised as to whether freight should be paid on hogs—and cattle too, I presume—being shipped east because grain is being shipped east at the expense of the government to feed live stock.

Mr. ROSS (Souris): The minister will admit that this policy must tend to have bacon and beef produced only in certain sections of Canada. Most people are human and are after a profit. This policy certainly does tend to have the people in certain sections of Canada do the feeding. They purchase their grain such as barley at twenty-five cents a bushel, and it takes about twenty bushels to feed a hog. That is a $5 per hog advantage over the other people of Canada. So it does tend to have production just in certain sections of the country.

Mr. GARDINER: I would agree that from now until August 1, not knowing what the condition will be after that the inducement is to produce hogs in the areas outside those in which the grain was produced. That is probably the normal thing to do at this time. The hogs and cattle which will be fed in the early part of this year will be fed with grain already grown. The hogs and cattle fed in the latter part of the year will be fed with grain produced under this policy. So that the encouragement down to the first of August will probably not throw things out of balance to any degree. But there is an influence in the policy put out the other day which will tend to have the hogs produced in the east rather than in the west. There is not any doubt about that: But I cannot conceive of any policy, apart from an acreage bonus policy, which could have the opposite result. However, the acreage bonus policy would have been most difficult to apply along with an increase in the price of grain and an increase in the price of other products. You would be paying both ways if you had both things happen. We could not find any real way of doing the job other than in the way in which it is now being done.

Mr. McMASTER: The minister a few minutes ago purported to give an answer to a question asked by the hon. member for Temiscouata yesterday.

Mr. GARDINER: Which question is that?

Mr. McMASTER: The question which the hon. member for Temiscouata asked was this:

> My last question is this. Will the minister be kind enough to put on record on *Hansard* a list of the commitments actually in force regarding the shipments of agricultural products to other countries, by class or category of commodity.

It struck me that we are dealing with an act, and some of us perhaps do not know to what extent we are committed.

Mr. GARDINER: The question which is referred to there is the one to give the quantities for each one of the contracts and the prices at which they are to be delivered.

Mr. McMASTER: It did not say the price, but the price would I think, be important. What the minister read out was the proportion of each commodity that was shipped every week.

Mr. GARDINER: I did not read out this long one which gives much more information, but it is not exactly the information the hon. member is suggesting. This table which I could have referred to is in the *Economic Annalist* that we get out, dealing with all these matters, and the information is all given in tables. Unfortunately these tables are not as completely up to date as one would hope to find them. As I said to the hon. member for Temiscouata when he raised the question, there was one question about which I did not yet have full information. I hoped it would be here this afternoon, but probably I had better put on record what I have in case the complete information may not come in. Bacon, for the calendar year 1947, 350,000,000 pounds; for 1948, 400,000,000 pounds. In the agreement for 1947 the price of bacon was $25, but it was increased—and that figure does not show here—by $2 at the beginning of the year, and now it is to be increased by another $2 in September. That will make it $29. Unless something happens this year which changes the whole situation and requires further negotiations, that would continue on during the following year. The figure for beef, for 1947, is 120,000,000 pounds at $21 per hundred. For 1948 the effect of the way it is written into the contract is that it is 120,000,000 pounds. But the understanding is that they will take, and that they expect to be prepared to take whatever we can provide for them.

An hon. MEMBER: At the same price?

Mr. GARDINER: I would not want to be definite about that. I believe it is a higher price than is stated here, but I would not want to be too definite without having the full figures before me.

With respect to mutton and lamb, the period covered is again 1948, although no figures are given for that year. The figure for 1947 is 10,000,000 pounds. There is no price given in these tables.

[Mr. McMaster.]

With respect to eggs, there is provision for 83,000,000 dozen each year. The prices are not stated for the last two years. The price is stated for the year that has gone by. Then, they have gone up half a cent, following the announcement I made the other day, and there may be some further adjustment in that respect.

Cheese has been twenty cents throughout, since one of the very early years in the war. It is still twenty cents with the equivalent of the subsidy added, and for a number of years the quantity has been 125,000,000 pounds. While that amount has always been stated in the agreement that it shall not be less than 125,000,000 pounds, Britain has had a definite understanding from us during the last season that we would not be able to reach that figure. This has been left as an indication to our farmers that if they reach it, or even go by it, Britain is most anxious to have the cheese. However she has had that understanding from us in the last year, and it extends into the year ahead of us, namely that in all probability we shall not be able to produce that quantity.

Mr. KIDD: Is it the intention to continue the subsidy of two cents for 94 and one cent for 93?

Mr. GARDINER: Yes, but that has no relationship with the agreement, at all. We started that in 1939, before the war, and it has continued right along. There is legislation on the statute books making provision for it, and unless it is taken off, it will continue.

Then, the figure for evaporated milk is 600,000 cases. We have undertaken to ship that quantity in both 1947 and 1948. The price is $4.95 per case.

Mr. FERGUSON: If we ship next year approximately 103,000 head of dairy cattle to the United States, have we any hope of reaching an amount sufficient to fill these contracts?

Mr. GARDINER: The number of dairy cattle was 69,000; but that does not change the meaning of the question. I believe the exact number of dairy cattle shipped last year was 69,539. It has been going up during the war, each year.

Mr. FERGUSON: They were all for dairy purposes?

Mr. GARDINER: These are dairy cattle, although some of them may have been killed.

Mr. FERGUSON: They may have been killed, but they were shipped out of here as dairy cattle.

Mr. GARDINER: Yes. But I will just repeat what I have said before, that I think

that is a good thing for the dairy farmer of this country, within certain limits. I do not say that to sell all his dairy cattle would be a good thing for him. But up until last year he has been increasing his number every year, without cutting down on the number of cows being milked. Last year the farmers did cut down slightly on the number of cows milked, and we began to get somewhat concerned about it. We would like to have the number stay up where it was in preceding years. But again the question of feed is involved, as well as the inducement which is given to the farmer to sell, because of the prices he can get. I would say that up until the year we have just come through the number of dairy cows the farmer could sell to the United States has been a help to him, rather than a hindrance.

Mr. FERGUSON: In view of the price for which the farmer can sell his dairy cattle in the United States, as compared with the lower price he would receive in Canada, is it a greater advantage for the farmer to get rid of his cattle rather than to retain them and receive a higher price for his product? It must be a distinct advantage for the farmer to ship his cattle to the United States and get rid of them. In the minister's opinion is it owing to the fact that the price the farmer is receiving for his products is not high enough to induce him to keep the cattle?

Mr. GARDINER: There is no doubt that the prices of dairy products, the price of cattle and the price of everything of that kind is higher on the United States side of the boundary line. If we were to open up the boundary on everything, the same as we do with respect to breeding stock, and include dairy cattle, then of course all our food products would go to the United States. There can be no doubt about that, under present conditions.

But that, again, is all part and parcel of the price control policy we have followed in Canada, a policy which most of us think has done a better job for Canada than would have been done by allowing such slipshod activities as have been going on in the United States. Most of us here believe that. And if we believe that, then of course there is only one thing to do. If we think the dairy farmer in Canada is being hurt, then the thing to do is to do the same in connection with dairy cows as we have done in connection with all other products. We do not allow other products to go to the United States. We just say they cannot go.

I do not believe, and I did not believe during the war that it would be a good thing for the dairy industry of this country to close the boundary line with respect to the shipment of dairy cows out of this country into the United States. Indeed, I think it would be a bad thing for the dairy farmer, and I think most dairy farmers believe that.

Mr. MILLER: I should like to ask the minister two questions, which do not relate to each other particularly. In the first place, I am not clear as to the minister's answer to the question asked regarding the lifting of price ceilings. During the term of the British bacon contract, is it true that the ceiling might be taken off hogs, before the price on the open market, or the world market, became equal to or less than the British contract price? That is my first question.

Is the minister of a mind to consider the suggestion made by the hon. member for Souris, a suggestion which appears to be one of the most constructive for the assistance of hog production in western Canada which I have heard in the house during the short time I have been a member of it? It seems to me that something will have to be done to encourage the production of hogs. The suggestion offered by the hon. member for Souris is one which would tend to equalize the disparity which now exists between eastern and western producers. The hon. member's suggestion would have a tendency to equalize, and I should like to know whether the minister intends to consider it or whether he intended to state to the committee that he would give no consideration to it.

Mr. GARDINER: The hon. member's suggestion is not a new one. As the hon. member for Souris knows, it has been put forward by farmer organizations for the last two or three years. About a year after we began paying the freight, that began to be a matter of agitation in western Canada. Down to the present, the answer we have always given was that this arose out of a case which had been presented by the maritime provinces, to the old railway board, asking for an adjustment of freight rates just as an adjustment upward is now being asked by the railroads. They had made an application to have adjustments made, and British Columbia made a similar application in connection with shipments of grain westward. They wanted to change the local rates as related to local as compared with export rates on feed grain. We were just in the midst of a discussion of that when the war opened. A decision had been given to the effect that that could not be done.

The maritime provinces then changed their request for an increase in freight rates to one for assistance from the government to pay the

freight. Prior to the war, that had not been done. After we got into the war, it was found that we had to send some bacon and other live stock products which were needed particularly in Europe to the maritime provinces in order to feed the people of the maritimes. Everyone became anxious to increase the production of bacon, beef, eggs and dairy products in the maritimes. It was thought that would be a good thing, not only for the prosecution of the war but for the country as a whole. We started out, first, by paying part of the freight from Fort William, and then, later, we paid it all.

The discussion is now as to when or how much of it we ought to take back. We were discussing this whole situation last week, and we decided to announce that the freight will not be taken off in so far as the maritimes and the eastern provinces and British Columbia are concerned until at least July 31, 1948. That is as far as we have gone. I do not think the government would want to become involved in any discussion as to whether we are to start to do the same thing on hogs and cattle at least until we have settled the other matter. I would submit to the committee that if we are to embark upon that plan it will not make much difference what the freight rates in Canada are in so far as the farmers are concerned, because the taxpayers of Canada will be paying them all before we are through.

I realize that the hon. member for Souris has said that he is not objecting to this being done for the eastern farmer. I would answer by suggesting you have to balance everything that is being done in the west against everything that is being done in the east in order to arrive at a conclusion as to whether one is being treated the same as the other. I have stated before that I fed hogs in both western Canada and eastern Canada, or at least up until a few months ago.

An hon. MEMBER: Which did you quit?

Mr. GARDINER: I did not quit either. I turned one of them over to another member of the family because I could not look after that end of it. As nearly as I can figure—and I try to figure very closely on my own operations—you could make more money during the war feeding hogs in western Canada than you could in eastern Canada. There are all kinds of reasons for that, quite apart from freight rates. In other words, I prefer to farm out west.

Mr. ROSS (Souris): You have a $9 per hog advantage in eastern Canada.

[Mr. Gardiner.]

Mr. MILLER: What about the question I

Mr. GARDINER: I really cannot give any information that would be helpful to the committee as to how and when ceilings are to come off. That would be a most difficult thing to do. I think they will come off eventually, but as to how they will come off or what the conditions will be or whether they will come off a little before prices come down to world levels, I cannot say at the present. I only know that we have placed on the statute books a measure called the Agricultural Prices Support Act, which is supposed to take over when conditions develop which make it impossible for us to maintain reasonable floors under this legislation.

The ACTING CHAIRMAN (Mr. Golding): I would call the attention of hon. members to the fact that we are dealing with section 3, and speeches in committee must be relevant to the section before the committee.

Mr. FULTON: I should like to ask the minister a question with regard to the power to requisition given to him under section 3. Would he be willing to accept any limitation? Perhaps he would be willing to introduce an amendment himself which would have the effect of putting certain limitations upon his power to requisition.

Mr. GARDINER: That would come under section 5.

Mr. FULTON: I think it would properly come under section 3, which reads:

. . . the minister may . . .

(a) . . . make such arrangements to sell or export agricultural products . . . as he considers necessary or desirable.

Mr. GARDINER: That has reference only to agreements.

Mr. FULTON: Then section 5 states that the governor in council may make regulations for carrying any of the provisions of this act into effect. I think it is under section 3 that the power is really given.

Mr. GARDINER: The power is given by section 5, but I am ready to let the hon. member discuss it now.

Mr. FULTON: I do not think it can be done as well under section 5.

Mr. GARDINER: The proper place to discuss it would be under section 5, but we will not block you if you want to carry on with regard to requisitioning. However I cannot discuss it even though you do raise it now because I am not going to break the rules.

Mr. FULTON: I do not think that is a reasonable statement because so far no argument has been advanced to support it. If the power is to be limited, then the amendment limiting the power would properly be made under section 3. It certainly would be a great deal easier to do it along the lines I have in mind than under section 5.

Mr. GARDINER: Is the hon. member discussing requisitioning?

Mr. FULTON: Yes.

Mr. GARDINER: Section 5 reads:

The governor in council may make regulations for carrying any of the purposes or provisions of this act into effect and, in particular, but without limiting the generality of the foregoing, may make regulations requiring the shipment or delivery to or to the order of the minister or the storing for future delivery to the minister . . .

Mr. FULTON: That is not the section which gives you the power to requisition; that section merely sets forth in specific detail that you have that power.

Mr. GARDINER: Section 3 is the section which gives me the power to make agreements.

Mr. FULTON: It gives you the power to sell or export agricultural products.

Mr. GARDINER: That would be an agreement.

Mr. FULTON: It gives the power "to make arrangements for the purchase, sale or export of agricultural products." That would be arrangements with regard to obtaining the commodities.

Mr. GARDINER: Why do you desire to discuss it under this section when it can be fully discussed under the other without being out of order?

Mr. FULTON: I have endeavoured to give my reason. I want to ask the minister if he would not be willing to accept an amendment, or perhaps introduce an amendment to section 3. If section 3 is carried there would not be any opportunity of coming back to it. I can bring it up under section 5 if the minister will agree that at that time he will take under consideration my request for an amendment to section 3.

Mr. GARDINER: If it has to do with requisitioning, an amendment could be moved to section 5 but not to section 3.

Mr. FULTON: Perhaps the Chairman would interpret that section, because I maintain that the power to make arrangements for the sale or export of agricultural products includes the power to requisition them, and the power to make regulations relating thereto is specifically mentioned in section 5.

The ACTING CHAIRMAN (Mr. Golding): If I were pressed for an opinion I would say that the amendment should be moved to section 5.

Mr. SENN: On Monday the minister made a statement that the price of oats and barley was to be raised, and he said, as reported at page 1408 of *Hansard:*

Feeders, on the other hand, will be protected against any important increase in costs of the oats and barley they buy by appropriate subsidies.

I instance the case of a farmer out west who could sell his oats and barley at these increased prices but preferred to feed it to hogs. Will he be entitled to the subsidy? If not, why not?

Mr. GARDINER: If he feeds it to hogs on his own farm?

Mr. SENN: Yes.

Mr. GARDINER: He would not be entitled to anything if he fed it to hogs on his own farm.

Mr. SENN: Why not?

Mr. GARDINER: I have gone over that every year. I do not know how you could do it. I do not know how I could tell on my own farm how much grain was fed to hogs unless I put every bit of grain I fed on the scale. If we could figure out a way in which it could be done, so that a farmer would be in a position to prove to an auditor the exact amount he had fed, that might be one way; but the way farms are run I cannot conceive of any farmer being in a position to make a declaration as to the exact amount of grain he had fed, in order to get a subsidy.

Mr. SENN: I think it would be a good thing for the farmer himself to know exactly what amount he was feeding. Too many of them do not know how much grain it takes to produce a pound of pork. If he cannot get a subsidy on the grain he feeds on his own farm that will make it all the more necessary for him to sell his grain.

Mr. GARDINER: This has been going on for years and it is only to continue to August, so that I do not think we should change it now.

Mr. WRIGHT: How does the government intend to differentiate between feed being fed to poultry, cattle and hogs, because a subsidy is being paid on feed for the latter purpose?

Mr. GARDINER: I am afraid that we are getting a little away from the bill. We are discussing the announcement made the other day with regard to feed grain. I think it would be better to leave that discussion until some other time.

Mr. FERGUSON: Is the minister aware that, as a result of the slipshod manner of handling food commodities in the United States, the consumer in that country can buy bacon, for instance, cheaper than the consumer in Canada?

Mr. GARDINER: I was not speaking of the slipshod manner of handling foodstuffs in the United States but was referring to their controls.

Mr. FERGUSON: Taking off price controls in the United States has resulted in food commodities being cheaper to the consumer in the United States than in Canada.

Mr. GARDINER: I suggested that in all probability prices would find their level within the next year or two. Dried milk, for instance, is selling cheaper in the United States than in Canada.

Mr. FERGUSON: And bacon.

Mr. GARDINER: I am not sure about bacon.

Mr. TUSTIN: Yesterday the minister said that all these products to fill the British contracts were being bought at the floor price, and at the end of his statement he said:

> If the products can be sold at a better price for consumption in Canada they are sold for consumption in Canada, but somewhere under the ceilings which have been put on.

At that point I interjected, "Does that apply to cheese?" The minister answered in this way:

> That applies to all these products, cheese and everything. We bought the cheese at twenty cents a pound. There has been more compulsion in connection with cheese than with other products.

For a number of years the government of Canada has been buying all the cheese manufactured in Quebec and Ontario, from April 1 to November 1 in some years, and last year from May 1 to November 1. Cheese producers are not allowed to sell their cheese anywhere else. It must go to the government to be shipped to the United Kingdom and government regulations are laid down that the cheese must be white in colour, of a certain weight, unwaxed, and comply with other conditions laid down. The minister now tells the committee that if the products can be sold for consumption in Canada at a better price they are sold in Canada. Therefore I am asking the minister again why the farmers of Ontario and Quebec are placed in the position where the government requisitions at least eighty-five to ninety per cent of their cheese production, which is bought by the government at the floor price. Why is it not bought at the ceiling price? If the present policy is to be continued I protest strongly on behalf of the farmers in my county.

Section agreed to.

On section 4—Commodity boards.

Mr. GARDINER: Last night on the spur of the moment I accepted an amendment which made subsection 1 of section 4 read:

> The governor in council shall establish one or more commodity boards with adequate producer representation.

That is how it reads with the two amendments which were made. The hon. member for Dauphin called my attention at the time to the fact that was exactly the effect of the amendment which he had proposed and which I had rejected and that I had given him the reasons why it should be rejected. I looked at the bill again last night and I see the reasons quite clearly. I pointed out to him that one of the authorities which I or the boards set up under me have is to enter into contracts for the storing or processing of agricultural products. In the shipment of bacon we have to require that the product shall be taken possession of much earlier than the date on which it is to be shipped. We must take possession at the time it is being put into the brine to be cured, so that at times the order has to be given without much opportunity for delay. I suggest that, in order to deal with a situation of that kind, after the word "and" in line 25, there be inserted the words "the minister". Then it will read:

> The governor in council shall establish one or more commodity boards with adequate producer representation and the minister may authorize and require a commodity board to exercise and perform all or any of the powers . . .

And so forth.

That will make it possible, if the board comes to me on a certain day and says that there is some bacon at some particular plant where they may not be conforming with the wishes of the other forty-three plants—I think there are about forty-four delivering—then the Wiltshire sides at that one ought to be ordered into the brine as well. Under these circumstances, there is no time to get an order in council or to call council together. That action must be taken on whatever the facts are at the time. I would suggest that the words "the minister" be put in there.

The ACTING CHAIRMAN (Mr. Golding): In view of the explanation given by the minister, is the amendment acceptable to the committee?

Amendment agreed to.

Section as amended agreed to.

On section 5—Regulations.

Mr. GARDINER: May I be permitted to put in the amendment so that the committee will have the whole thing before it? The amendment was proposed on second reading of the bill. I submitted copies of the amendment to the leaders of the different opposition groups, and I have copies here. I shall ask my colleague to move it.

Mr. FOURNIER (Hull): I move that:

Subsection 5 (1) to be repealed and the following to be substituted therefor:

5. (1) The governor in council may make regulations for carrying any of the purposes or provisions of this act into effect and, in particular, but without limiting the generality of the foregoing, may make regulations

(a) Requiring the shipment or delivery to or to the order of the minister or the storing for future delivery to the minister of such agricultural products as the governor in council considers necessary for the fulfilment of any contract for the sale or export by His Majesty of the said agricultural products to the government of any other country or any agency thereof and determining the prices to be paid for or in respect of any of the said products so shipped, delivered or stored, which prices shall be based on the appropriate contract price and shall bear a proper and reasonable relationship thereto.

(b) For the purpose of regulating the movement of apples from one province to another and requiring that any such movement be made only by or under the authority of a provincial marketing board.

Mr. FULTON: I should like to discuss first the power of requisition. With deference to the minister and to your previous ruling, Mr. Chairman, it is difficult to discuss the power under this section because it gives only the authority to make regulations for carrying out the power already conferred. It is merely specified here, so that there will be no question that that power exists and that regulations may be made for the purpose of enforcing that power. It would have been more appropriate to discuss it earlier, and that is why I am under some difficulty in discussing it now.

In view of the fact that the minister has said that he would not oppose latitude of discussion on this section, perhaps I can put forward the views I have. What I wish to ask is whether the minister would be willing to accept an amendment which would limit his powers to requisition. The effort which has been made by the official opposition in regard to this bill was mainly to get a complete marketing act, so that there would be no question that the producers who are affected would have a say as to the quantities and the prices of commodities mentioned in these international agreements, and the regulations and terms upon which they were marketed and exported. If that had been done, then the objection that I am about to make would no longer apply. Since that has not been done, we are in the position where the minister alone sets the prices under an international agreement and indicates the quantity which shall be delivered.

We have been able to get only a limited assurance that he must discuss the matter with the producers boards before he does that. Therefore we are in the position, as was established, I think, with some degree of conclusiveness in the wheat agreement and the position which seems to prevail in the cheese and egg agreement, where the producers feel that their produce is being sold at a price which hardly pays them the cost of production. That is adopted as a matter of government policy in order to assist in the reconstruction of Great Britain particularly and of the continent of Europe. With that policy there is no disagreement, but with the administration of the policy there is a large degree of disagreement because we feel that the farmer should not be expected to bear the burden of the policy alone.

Briefly to recapitulate, we feel that if the farmer through his producer boards were able to set the price and the quantity there would be no danger of his having to bear the burden of what might be a disadvantageous agreement. Since that is not the case the minister can make further contracts which may be bad ones from the point of view of business and which may involve the farmer in heavy financial losses when compared with what he might be obtaining were his produce not being sold exclusively subject to the terms of the agreement. The position is this: if the minister, since he is now in exclusive charge of making these contracts, sets the prices, he may make a food agreement, and he can then step in and requisition all the agricultural produce he needs in order to fulfil the agreement. If he did not have the power of requisitioning, the only way he could fulfil his agreement would be by buying on the market at the current price which presumably, under normal circumstances would be a price which would repay the farmer his cost of production and give him some profit. Therefore I wish to suggest, first, that by taking this power to requisition everything the minister is in a

position where he may be able to enforce the terms of a bad agreement and make the farmer bear the whole of the burden instead of distributing it across the country. The minister has said that in some instances it is necessary to have the power to requisition, and he referred specifically to bacon. It is agreed that if we make contracts the minister must have reasonable power to carry them out. I do not think anyone would question that; but we should like to preserve this principle, that the cost of carrying it out must be borne by the country as a whole and not by the agricultural producer alone. I ask specifically whether the minister will limit his power to requisition to that necessary to fulfil the bacon agreement? At the moment I cannot conceive of any other agreement where he needs the power to requisition and where the circumstances would be the same as that which affects the bacon agreement.

As I say, the only time he would need the power to requisition is where he sold large quantities of produce at a low price which would make the farmers unwilling to part with their produce, which would necessitate his stepping in and requisitioning.

Although we may have the assurance of the minister that it is not intended to make bad agreements and then step in and requisition to enforce these agreements, I do not think it is a proper principle for the house, and for the opposition in particular, to accept this assurance, for the reasons which were put forward by the Minister of Justice in the argument which he made in 1934 and to which I have referred. He did not think it was proper for parliament to grant powers the exercise of which it did not approve. That is the position in which we find ourselves at the present time.

Just today I came across an argument used on March 3 in the British House of Commons, which puts the position so clearly that I should like to read it. I put this argument forward to the minister in all sincerity; I am not even suggesting specific amendment myself; but I am asking him if he will, to meet these views, see fit to find a way of limiting his powers of requisition so that they cover only the bacon contracts. The particular thought I have in mind in making this suggestion was used in an argument by Sir Arthur Salter in the British House of Commons on March 3, when he referred to a number of bills which, he maintained, granted excessive power. In these bills, he said:

> . . . clauses have been drafted so widely, that it has been easy for us to demonstrate that quite fantastic abusive action could be taken within the powers of the bill. When this has been demonstrated, the minister has always said: "That is not what I intend to do. I intend to do so and so. I have quite a reasonable policy." We may agree that the minister is sincere and that his policy is reasonable, but we cannot properly accept such assurances as alternatives to drafting the law in such a way as to define his powers. Otherwise, we abdicate from our position as legislators. We are concerned in this house, as legislators, with the legal intention which is to be inferred from the words of a bill, and not with ministerial intentions or assurances which do not bind even their successors of the same government and still less their successors in another government, while the measure itself, with all the powers which were given originally, still survives.

That is exactly the feeling I have with regard to this bill and particularly sections 3 and 5, which give the minister complete power to walk on to every farm in Canada and requisition such produce at such prices as he wishes. I am quite certain that he himself will agree that he does not intend to exercise that power and that he does not need to have all that power for carrying into effect the agreements he has made, and which he may contemplate making. I put these views before him and before the house, coupled with a request that he himself introduce an amendment imposing upon his power of requisition such limitations as will confine it to those things which he absolutely must do in order to carry out the specific agreements he has in mind.

Mr. CRUICKSHANK: May I ask the minister a question, seeing that I could not hear clearly what the hon. member said? Am I correct in assuming that the reason for the amendment in connection with apples was to enable the government or the department to fulfil the contracts with Great Britain and to take care of our apples?

Mr. GARDINER: The reason for the amendment with regard to apples is to make it absolutely clear that we have the power to make an agreement with Great Britain. There is no agreement on apples similar to what we have on bacon, but in past years we did make an arrangement under which apples were sent to Britain on certain understandings. The idea is to get an agreement similar to the one, spread over a period, which we have on bacon, but there is no such agreement, and there was no separate order in council other than that having to do with the special products board which authorized us to deal with that situation.

I was informed, after we had presented this bill to the house the first time, that we did not have the authority to direct what should be done as between provinces. That is not required in any of the other contracts but

would be required in this one in order to carry it out as the producers want it to be carried out.

Mr. CRUICKSHANK: It was my assumption that this was considered necessary if we require, as we do, a market, and I should like to have it made clear why two hon. members from British Columbia are opposing the principle that we should have the right to enter into these agreements with Great Britain to dispose of our apples. I cannot understand why two members from British Columbia are opposing that right.

Mr. FULTON: What two members?

Mr. CRUICKSHANK: The hon. member for Kamloops and the hon. member for Yale.

Mr. FULTON: Perhaps the hon. member will quote some passage in *Hansard* where he finds us opposed to that being done.

Mr. CRUICKSHANK: Perhaps the member for Fraser Valley can state that neither of the two hon. members voted in favour of the bill.

Mr. SENN: I am sorry that the hon. member for Yale (Mr. Stirling) is indisposed and is unable to be here. He asked me to bring to the attention of the minister the word "apples" and to suggest that, if possible, that word be changed to fruit, because there are a number of small fruits that are traded between the provinces, and he thinks it would help substantially if "fruit", which would include apples, were used instead of the word "apples". He also asks that, if possible, it apply to trade from one province to another as well as to export trade. He gives the names of a number of countries to which the British Columbia fruit board have been selling apples in past years: South American countries, Newfoundland, the Scandinavian countries, Egypt, Australia and so on. I give that to the minister for his consideration. I know the hon. member for Yale feels strongly about it, and I should like to hear what the minister has to say.

Mr. GARDINER: On the last suggestion, I would say that the intention of this bill is not to give us authority to interfere in interprovincial trade in a manner which I think is suggested here. We have arrangements with Britain, under which we send certain fruits to that country. We go into different provinces and arrange for the purchase of it. That, to my mind, has much the same effect as the hon. member for Yale has in mind. If there are berries in British Columbia that are in surplus and they are not able to handle them, we have during the war been making arrangements to take such surpluses and ship them to Britain. We make that arrangement with the British government. That has met all difficulties and, I think, will meet all difficulties, as long as the situation created by this act exists. I understand that what the hon. member has in mind is that when this situation does not exist there may develop something similar to what we had before the war, the difficulty in interprovincial trade. But this was not intended to take care of that situation, but to meet the situation in relation to apples. There are producers' organizations across the country and they are in a position to enter into interprovincial arrangements. There is nothing particularly legal about it, in the sense that the suggested organization in Ontario is not legalized under provincial statute in the same way as some of the others may be.

Mr. SENN: Does the provincial statute give the board power to deal interprovincially without corresponding legislation here?

Mr. GARDINER: I have some doubts about that. I should not like to offer a legal opinion upon it. The position in relation to apples is this. They are able to come to understandings, and if by those understandings they are able to carry out an agreement that we may make with Britain, they have come to us and asked us to try to make that agreement. They said that, in order to guarantee carrying it out, we would require to exercise some authority in connection with interprovincial trade in apples. We have taken the authority to exercise certain authority. We do not know that we would do all that we are asked to do, but we have the authority to do it.

Mr. SENN: What about the other countries to which apples and other fruit have been shipped by the board? Does this board negotiate agreements, or how are the shipments made?

Mr. GARDINER: I presume that where they have agreements which they consider reasonable, agreements with commercial organizations somewhere else, probably we shall not have much to do with that. But when they have a considerable surplus which they are not able to sell under ordinary commercial transactions and they say they would like this sold in Britain, as I said the other night, they would ask that we talk to Britain about exchange and the need of other foods. Under those circumstances we go to the British and say maybe we can make some adjustment that will be satisfactory to both of us, probably our people could use more of some other

commodity. The suggestion has been made that we took too much cheese from this market. We can go to the British and say, "It will suit our people much better if we leave cheese on this market, or a considerable part of it, and we should like you to take apples." Things of that kind can be negotiated by the government, which would not be understood as between individual organizations in Canada. The apple producers would not feel like talking against the cheese producer, or the British would not pay any attention to them if they did. But when the government goes to the British and says that it would suit Canada better if you take our surplus apples, our people will eat cheese up to a certain level, then we can get an arrangement made with them. That is the kind of thing we will be doing. On the apples, we hope to sell this fifty per cent or whatever it is they generally trade in with Britain, to the British. We are not concerned about who makes the deal, as long as it can be made. But the apple growers wish us to have the authority to make it, and that is what this gives.

On the other question of requisitioning, I am afraid that I cannot say very much more than the government said in Great Britain. I would presume that they obtained their authority from the House of Commons in Great Britain or from the parliament in Great Britain.

Mr. FULTON: They were discussing a different matter.

Mr. GARDINER: It is exactly the same principle, and I think it applies to almost every piece of legislation we pass in this house about giving greater authority to somebody, than that somebody, whoever it is, ever hopes that he will have to use. He uses it only in very extreme cases.

In relation to these contracts, the only kind of circumstances under which we would use requisitioning is this. We are the lowest per capita cheese eaters in any country in the world for which any records are kept. We eat fewer pounds per head of population than any other country. The British are the largest per capita cheese eaters in the world. According to the last records I saw, they ate sixteen pounds per head of population prior to the war. We ate three. On top of that the market for sixty per cent of our cheese prior to the war was in Britain, and it has been during the war.

It has been my experience that the cheese producers themselves have agreed to our taking cheese and sending it to Great Britain as a part of the policy that was being followed of attempting to help feed Britain with the kind of food they could best get from Canada during the period. We would not take the suggested action. I am sure our friends opposite would give us credit for having more political sense than to take cheese off the market in Canada, and send it over to Britain at a lower price than could be obtained for it in Canada, just to carry out an agreement. We would not do it for that purpose at all.

On the general question of requisitioning to do a thing like that, we would deal with the cheese boards in Canada and find out their attitude. We would discuss the matter with them. We could not carry it out without their cooperation, because cheese will keep over a very long period of time if you put it away in the proper storage, and you must keep it for ninety days. So these people could put their cheese away and keep it if we did not have that cooperation. But they cooperated with us 100 per cent, because we discussed our intentions with them and had their agreement before acting. The reason why they want us to act is that ninety per cent of them say, "It should be done," and there is no hesitation about it. But there is another small percentage who will not cooperate unless compelled. The others say, "We should like to do this and will if you say that they should do it." It is really the same principle as that contained in the legislation which my hon. friends voted for the other night, that the producer should be in a position to say to the minority, "under the circumstances, you must do this."

Mr. SENN: You are following that practice.

Mr. GARDINER: We are following that practice, and I admit it quite frankly, in this bill. We have been doing it over a period during the war and we are still doing it.

Let us consider the packers. After all, there is not a great deal of difference in human nature whether it is packers, farmers or others. Some forty packers have inspected plants and we must get all our bacon and ham from those plants. Suppose the forty of them are absolutely agreed to do the thing which is required to be done. They have sat in and discussed it. Everybody has discussed it. The advisers we have from the farm organizations have discussed it, and we have sometimes brought them together and had it discussed. Then they say, "All right, that is the thing to be done. Let us go ahead and do it." Two weeks after we get doing that, there are two packing plants somewhere who say, "I am not going to do that. I can make more money doing something else." The others wish us to have the authority to say to those fellows, "Well, the government can really requisition your product." Up to date I do not think we have

had to do much requisitioning under it. We just simply make the suggestion. An inspector goes out, looks over the situation and says "Well, we have the authority to compel you to do it, and the other companies are all doing it. Why don't you do it?" That is about all that ever happens. But if we did not have the authority there is the very small percentage of those with whom we are dealing who would just say, "You do what you like; I am going to do as I like." That is the principle which is behind the requisitioning.

There is no intention of going out and grabbing off large amounts in order to try to fill contracts. It may be thought that these contracts have not been good ones, but every time they have been made we have sat down with the British; and if it is a bacon contract, we have sat down with the packers. We have sent out the best investigators we could find to ascertain how many hogs were going to be produced within the year. Then we have made the best investigations possible to find out how much will be consumed in Canada. We balance it all up and say what we can do. Last year we said, "We can give you only 267,000,000 pounds of bacon and ham." Prior to that we had been giving as much as 700,000,000 pounds, but last year we said that we could give only 267,000,000 pounds. We hope to reach levels after we have stated them, and we have to do a little of what is called requisitioning in order to get up to that reasonable level. But we are intending to do what was suggested in this case. We have no intention of utilizing it to do any unreasonable thing. I do not think the house would expect that even a Liberal government would intentionally be so foolish. We do want to do the things which are reasonable. We want to have the power to do reasonable things, and nothing more than that. But we must have the power if we are to be able to take limited amounts here and there, or go into a plant and say, "So far as your production is concerned, a certain percentage ought to go to the British contract." But as far as going out and saying that we will take it wholesale, that is not the intention.

Mr. CASE: I am more or less seeking information with respect to this clause which seems to give the minister very wide powers. As I listened to him, I understood him to say that there is no thought of interfering with interprovincial trade. The question in my mind is this: How could the farmer or anyone else make commitments on a contract unless there is a saving clause in the contract to state "subject to the goods being requisitioned by the governor in council or by the minister"? That is, how could I sell one thousand barrels of apples, so many thousand bushels of grain or so many pounds of live stock in interprovincial trade, and contract in advance, if these wide powers are provided for the governor general or the minister? In other words, there would be no means which I could employ to guarantee that I could make delivery of the goods unless that saving clause is in my contract. Since the minister says there is no thought of interfering with interprovincial trade, I should like to know from him how we are to carry on interprovincial trade should it suddenly be determined that these things are required for the purposes for which this bill is being passed.

Mr. GARDINER: I am now speaking as a lawyer, although I am not a lawyer; but what I said was that I do not think authority is given in the bill for us to interfere with interprovincial trade, in the sense indicated by the hon. member. It is for that reason it is definitely stated in the bill that, with regard to apples, we have authority which we have not in respect of some other things.

On the other hand, if we have the authority to go into a province or into a plant and make arrangements to take or to buy a product for money, take it out of the province and send it into international trade—the deputy attorney general said, we had that authority in interprovincial trade—to that extent we have that authority, but not because it is in this act at all. We can go into Ontario and buy a product and take it into Quebec now.

Mr. CASE: You can requisition it.

Mr. GARDINER: We can buy it. We can go in and say, "We will pay a certain price for that," and get it.

Mr. CASE: And the farmer must accept that.

Mr. GARDINER: The position in relation to those products is that, in most instances, they are in surplus supply before we take them. There may be some exceptions to that; but in most instances they are in surplus supply, and the farmer wishes to sell them. Assuming that the United States boundary is closed—and I am assuming it is going to be closed, so long as this arrangement lasts or until United States prices come down—then there is only one place the farmer can sell his surplus of these commodities about which we have been talking, and that is in Britain. He cannot sell them here. He is producing twenty per cent or twenty-five per cent, or, in some cases, seventy per cent more of the product than we can consume in Canada. We say, because of the different level in prices

between this country and the United States, the boundary is closed into the United States for the time being. There is only one place where the farmer can sell them, and that is Great Britain. Under the circumstances we come to him and we say, "This is the arrangement; we are paying the floor price. We will give you this price for all your surplus"; and we take that surplus, and ship it.

Mr. CASE: You definitely promise to take the surplus?

Mr. GARDINER: Under these agreements we undertake definitely to take all the surplus. In fact, our difficulty will be to get enough surplus to send them what they want. There will be no trouble about that, while this agreement lasts. Of course I do not know how long it will last, but I hope it will last forever, so far as my time is concerned. However it may not.

Mr. CASE: Supposing a cheese factory has a contract to ship so much cheese to British Columbia or to the maritimes; will the owner be protected if his output is requisitioned?

Mr. GARDINER: Again, he sends a small percentage, perhaps only thirty per cent, to the Canadian market, while he sends seventy per cent, or wishes to send seventy per cent somewhere else. I can imagine some difficulties in certain relationships. There would be difficulty right now if the United States boundary were open, because, as the hon. member says, the product can be sold in the United States at a much higher price. But that will eventually right itself, and we shall find ourselves in a different position.

While we are in the position in which we are placed today, we go to them and say, "Here is seventy per cent of your cheese. That cheese would be left on this market, with the United States boundary closed; and, if it is, your price will not be a good price." He realizes that. He realizes that this is an arrangement under which we are trying to stabilize the market for a considerable time, and therefore he will go along with it.

I should have said earlier that we do not deal with the individual farmer in respect of these commodities. Rather, we deal with the cheese boards. In a certain sense they are cooperatives of farmers. They work through cheese plants or cheese factories. In connection with bacon, we deal with the packing plants in Canada; that is the only place where we can get it. We do not go down to the farmer and attempt to take his hogs out of the pen, or anything like that. We deal with the bacon when it is in the plant, and when the farmer has been paid what he is to be paid.

[Mr. Gardiner.]

Mr. CASE: You will not take their surplus of apples?

Mr. GARDINER: From what has happened, I would judge that in Ontario we will not do anything. We will depend upon the board's having made arrangements with the apple producers in Ontario which are satisfactory to all of them. I do not imagine we are going into Ontario and taking apples to ship to Great Britain under any circumstances. We have not done it during the war; we avoided that.

Mr. FULTON: I had intended to ask a question, but since it is almost six o'clock perhaps I might leave it until after recess. Therefore I would ask the hon. member for Brant to go ahead with what he had intended to ask.

Mr. CHARLTON: In how many instances has Canada actually fulfilled the contracts which have been made?

Mr. GARDINER: I have some figures before me which I shall look at before the evening sitting, and which I will place on the record after the dinner recess. These are figures which I was asked for but which I did not have earlier. However, speaking from memory, I would say that until the end of 1944 we more than filled all our bacon contracts. We filled all of them with respect of cheese down to, I believe it was 1943; that was the last year. I think we went off one year; then came back for a year, and then have gone down again.

In connection with eggs, we have fulfilled most, if not all of our contracts. I believe those are the chief products with which we have dealt. I might add that every year we have more than filled our beef contract.

Mr. CHARLTON: The quantities in contracts have gone down, both in respect of bacon and cheese. Yet we cannot fill them.

Mr. GARDINER: There is a reason for that.

Mr. McMASTER: Before asking my question, let me say that if the minister had taken up law he would have been most successful, because he is so optimistic of results of cases to come up.

I thought we had decided yesterday that the word "already" should be placed in section 4. That is, we were to deal only with contracts already made. I believe that suggestion was made twice. The act permits dealing with any other contract, whether already made or to be made in the future; is that right?

Mr. GARDINER: I believe I was the only one who mentioned that. I suggested, if it

was the desire of the committee to prevent my making any new contracts, that should be done. When I referred to any new contracts I had in mind any contract on new commodities. I do not think anyone ever suggested we should not be at liberty to increase the price if the British were prepared to pay it. That type of contracting was never objected to. But there was a suggestion that we should not be allowed to enter into any new contract. I said that, so far as I was concerned personally, I was prepared to accept that, and I thought the government was. But we had been trying to arrange for a contract in connection with apples; I think hon. members on the other side of the house agreed that that was right. If the word "already" was put in, we could not do that. It has been left out. It would have effected apples and beef particularly.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The ACTING CHAIRMAN (Mr. Golding): Before the committee rose for the dinner recess, the Minister of Public Works had moved an amendment to section 5, and that amendment is now before the committee.

Mr. FULTON: Just before six o'clock the minister dealt with a request which I had made that he introduce an amendment to limit the powers to requisition under this bill. He made a statement, and during the dinner recess I have tried to do some research on that statement. He said that it was customary in bills of this sort to ask for wider powers than were absolutely necessary to carry out the purposes contemplated in the legislation. I have not been able to find any—

Mr. GARDINER: Not than were contemplated; that were likely to be utilized generally under the bill.

Mr. FULTON: Wider than were likely to be used. I have not been able to find anything to substantiate that as a principle, and I certainly would not like to accept that or to say that I am satisfied with the whole answer given on the basis that that principle is correct. I do not wish to set up my opinion as being superior to that of the minister with regard to whether the principle exists, but I cannot accept his statement of it as a basis upon which we should be satisfied that the powers asked for are not too wide.

In dealing with the particular argument that I had put forward, the minister said that the boards always cooperate in making their produce available in order to discharge these contracts. That being the case, it is difficult to understand why he will not accept the request made by the official opposition, ever since the bill was introduced, that this bill be made into a real marketing act and that the powers be given to the boards. If the boards have in the past cooperated and carried out his wishes with regard to marketing, then I see no reason why that should not be done. If that were done, then we would not have to ask the minister to limit his powers. I repeat the request that he see if he cannot find some way to limit the powers he is asking for under this bill to just those which he intends to exercise under the normal agreement.

The hon. member for Fraser Valley put forward a view with regard to the attitude taken by the hon. member for Yale and myself which, I think, involves the whole question of our attitude toward this bill. I thought we had made it clear. I represent an area that grows a large amount of fruit. Since apparently the hon. member does not seem to have understood our attitude, perhaps I may be forgiven for trying to make it clear again as I intended to do when I spoke this afternoon.

The position is that we agree that there should be marketing legislation, but we do not see any attempt to confine the purposes of the bill to marketing. There are introduced into this bill a number of things which we are not able to accept. Personally I did not oppose the bill on second reading because I said that I hoped when we were in committee we would be able to cut out those features which we found undesirable. So far those attempts have not been successful, and I find myself wondering whether I can accept a bill which, under the guise of seeking to do something which is desirable, introduces many undesirable features. Personally I find that on balance the bill is undesirable and unacceptable. I do not see how that can be interpreted to mean that we are opposed to long-range marketing or to making agreements to market our apples.

I should like to ask the minister if he would have any objection to adding the words "or in export trade" after the word "another" in the second line of paragraph (b) of the amendment he introduced. That would make the section applicable to export trade as well as to interprovincial trade, and I think it would cover the position which I understand the British Columbia board has taken.

Mr. GARDINER: The position is that export trade is already dealt with. One thing that was not dealt with was interprovincial trade, and the apple growers thought we should

deal with the interprovincial situation. Paragraph (b) is to deal with interprovincial trade, while export trade is dealt with in another section. It is dealt with in general terms; we do not say "apples", but it covers everything including apples.

Mr. FULTON: Am I correct in saying that the earlier section does not specifically give the board any powers with regard to export trade?

Mr. GARDINER: Authority is given in subsection 3 of section 4 to appoint boards to deal with the matter, both interprovincially and for export. That authority being there, this gives us authority to deal with apples interprovincially. We can appoint boards to do both under the other.

Mr. FULTON: I was not able to follow the minister's argument just before six o'clock. I was under the impression that he was dealing with the desirability of including small fruits in this amendment. If he has dealt with that, I shall read what he has said; but, if he has not, I should like to ask him if there would be any objection to including the words "and fruit" after the word "apples" in paragraph (b). The board would then be given power to deal with all types of fruit in interprovincial trade, not just apples.

Mr. GARDINER: What I was trying to say before six o'clock—and I do not think I said it very clearly—was that in the years during the war that have gone by we found no difficulty in making individual arrangements with the British authorities to take berries in certain forms, usually in the form of mash to be utilized for making jam and that kind of thing. As I say, we have had no difficulty in making arrangements with them but we have had no long-time agreement. We make the arrangements for special products of this kind through the special products board without having a continuous agreement.

These fruits are not in the same class as apples where fifty per cent must go to Britain or somewhere else. It may be that only five per cent or a much smaller quantity than that has to be arranged for. There may be a local market which takes these commodities, and then they depend upon our special products board to make a direct deal with the British to take care of them.

Mr. FULTON: But, as I understand it, this amendment covers only interprovincial trade.

Mr. GARDINER: I was trying to point out, in connection with the interprovincial feature of it, that in most of these cases we have been able to take surpluses which otherwise might have gone into interprovincial trade, and created difficulty. We have been able to take surpluses and send them to Great Britain. While we are doing that, the interprovincial difficulty does not arise. For instance, in connection with berries in British Columbia, instead of trying to sell them at a low price in the prairie provinces, where their greatest market would naturally be—and that market has probably been filled—instead of trying to do it on a low floor price in the prairie provinces, they have come to us and have said, "Can you get the British to take it? Do the British need it?" In all those cases, up to the present time we have been able to take that commodity, and therefore there is no further problem. And we take enough off so that the floor is established.

Mr. CRUICKSHANK: May I say a word, because my name was mentioned. I do not believe I said one word before recess about marketing legislation. What I did say was that the hon. member for Kamloops did not vote for the second reading of this bill. He is now apologizing for his action in not doing so.

Mr. FULTON: No.

Mr. CRUICKSHANK: I accept his apology.

Mr. FULTON: No. I am a good friend of the hon. member for Fraser Valley, and in order to save the necessity of taking a more formal step, I would ask him to withdraw the word "apologizing," because I have no apology to make for my action in connection with the second reading of the bill.

Mr. CRUICKSHANK: I shall be glad to withdraw. I know he regrets the action he took.

The ACTING CHAIRMAN (Mr. Golding): Shall section 5 as amended carry?

Mr. HERRIDGE: I have been trying to get an apportunity to speak for some time. As a member representing a fruit-growing riding, I wish to make a few remarks. First of all, while we would like to have seen accepted the bill recommended by the Canadian Federation of Agriculture, the government has not seen fit to bring in a bill of that kind, but has brought in this bill.

Representing a large number of fruit growers, I support the bill, and for this reason: While it is not all we would wish, we realize that the bill does give the fruit growers an opportunity of marketing their fruit in the coming year with at least some

reasonable measure of security. We are concerned with seeing our fruit marketed, and this bill does make some provision for that.

I must say I was surprised to note that the hon. member for Kamloops did not see fit to support the bill on second reading. I wonder what the fruit growers of British Columbia would say if this bill were not now accepted by this house?

Mr. REID: They would have plenty to say; and so would the poultrymen.

Mr. HERRIDGE: I wish to deal briefly with the criticisms the hon. member for Kamloops has made in connection with the power given in this bill to the minister to requisition agricultural commodities. Personally I think the hon. member made a mountain out of a molehill, and his criticism was academic and hair-splitting. I say that for two reasons. I speak with some knowledge, as a grower, and as a member of a fruit organization. I say that experience in the past would indicate that the tree fruit board in British Columbia —and that is the board of which I am speaking—had satisfactory relations with the Minister of Agriculture when it came to making agreements for the marketing of fruit from British Columbia. I understand that also applies to the Nova Scotia board.

I know, and I am sure other hon. members know, and will substantiate me in what I say, that in the past the minister has not taken any action without full consultation and cooperation with the marketing boards concerned.

Because of that fact, and because this bill will be in effect for only one year, I say again that I think the criticism of the hon. member for Kamloops was hair-splitting and academic, and was made without a full knowledge of the facts surrounding the situation.

Mr. FULTON: Would the hon. member permit a question? He is entitled to his opinion as to my argument; but would he not prefer to see the board empowered to make an agreement, rather than the minister exclusively?

Mr. HERRIDGE: Yes.

Mr. FULTON: That was the only point I was making.

Mr. HERRIDGE: I should like to see it different in some respects. Indeed, I should have liked to see accepted the bill suggested by the Canadian Federation of Agriculture. But I accept this, as being brought forward by the government for the advantage of the fruit growers of British Columbia and other producers, and I am not going to do anything which would jeopardize the passage of the bill at this time.

Before concluding, I would point out to the minister and the committee one suggestion in connection with the suggested amendment to section 5(1) paragraph (b) of which reads:

> For the purpose of regulating the movement of apples from one province to another and requiring that any such movement be made only by or under the authority of a provincial marketing board.

By using only the word "apples" it would appear that there will not be interprovincial control of marketing of pears, cherries, peaches, apricots and plums, all of which are of great importance to the fruit-growing section of British Columbia. Would the minister consider an amendment which would delete the word "apples" and substitute the words "tree fruits." Would he give an explanation why "tree fruits" has not been used instead of "apples"?

Mr. GARDINER: That same question was brought up by the hon. member for Haldimand at six o'clock, and since six o'clock it has been discussed in another form by the hon. member for Kamloops. I explained at that time that apples are one product for which we had a difficulty in finding a market outside Canada during the period of the war. In respect of most other commodities, including berries and the other fruits mentioned, we have been able to find a market in Great Britain for those quantities which could not be marketed at reasonable returns in Canada. This has been done by making special arrangements. There have been no long-time agreements with regard to them.

This measure has to do largely with long-time agreements. But by cooperation with the tree-fruit board, and the fruit board of Nova Scotia, we have been able to get in touch with the British when there was any difficulty in connection with other fruits. I believe the hon. member for Fraser Valley will agree with me in that. He will recall that on a number of occasions he and a number of others brought the matter of surpluses of berries of one kind and another to our attention. We took the matter up with the British government and had arrangements made for the marketing of those surpluses in Great Britain.

What I have pointed out was that this section is put in at the request of the apple producers to deal with the marketing of about fifty per cent of their commodity. It has not been urged upon us that there was any necessity for doing more than we have been doing; and I am afraid it would require a number of amendments to the bill if it were to be made

to cover all the other products which have been referred to, if we want to get into interprovincial marketing generally. I do not think there is any need for it at the present time. I do not think we shall have difficulty, because there are methods of dealing with surpluses which arise, and arranging for their marketing at a reasonable return.

For that reason I hesitate to start in to amend this bill so as to have it cover more than it now covers, after having given a lot of thought to it.

Mr. SENN: May I ask the minister a question for my own information? Does he think that under the provincial legislation which sets up this fruit board in British Columbia they have sufficient power to deal interprovincially without further power being given here?

Mr. GARDINER: The main difficulty is where you run into trouble in marketing the whole of a product. So long as there is a reasonable market for the surpluses of the product they do not experience very much difficulty as between, say British Columbia and the prairie provinces. The prairie provinces do not grow any of these fruits; therefore there is a market for them there. The only time they have much difficulty with the situation is when there is somewhat of a surplus, and some care has to be taken in putting the surplus on the market regularly and all that kind of thing. They want this government to be able to say under these circumstances that we shall take the control and do the regulating. When we have the bill that is now before the committee on the statute books as an act I do not think that kind of difficulty will arise, because what they do under these circumstances is to go directly to the government and say, We have a surplus for which there is no reasonable market on the prairies, let us say; we would like you to take that off our hands if you can make arrangements to take it, and that will settle the difficulty and put us in a position where our product can be marketed at the price at which we want it marketed.

Mr. SENN: That applies to other fruits as well?

Mr. GARDINER: Yes; it applies to everything. We did it during the war and we can continue to do it during the next twelve months this bill lasts, at any rate.

Mr. McMASTER: Notwithstanding the fact that I may be referred to as the junior counsel for the minister, I wish to assist in the passing of this bill. I wish to say at the outset that I can see no reason why power should not be given to the minister to help the apple growers of British Columbia. The title of this bill is: "An act to provide for the sale and export of agricultural products." The preamble also speaks about the sale and export of products to other countries. It has nothing to do with interprovincial trade. I do not particularly object to the minister having that power, but I would suggest that he is pinning his faith on the Agricultural Prices Support Act, 1944, because it is referred to in this bill. The minister has taken the power that is given in the said act to appoint a commodity board to function under the present act, and under the Agricultural Prices Support Act he may effectively deal with the sale of apples between different provinces and will not require this amendment.

Amendment agreed to.

Subsection 1 as amended agreed to.

On subsection 2—To be laid before parliament.

Mr. BURTON: Section 5 (2) reads:

> Every regulation made under this act shall be laid before parliament within fifteen days after it is made or, if parliament is not then in session, within fifteen days after the commencement of the next ensuing session thereof.

I should like to point out to the minister—and no doubt he fully realizes it—that in all probability there will be quite a number of orders and regulations made under this act which covers so wide a territory. Consequently the matter of laying them before parliament is, in our opinion, not quite sufficient. Therefore I move, seconded by the hon. member for Swift Current:

> That subsection 2 of section 5 be amended by inserting after the word "be" in the first line the following: "Published in the next ensuing issue of the *Canada Gazette* and shall be . . ."

The subsection would then read:

> Every regulation made under this act shall be published in the next ensuing issue of the *Canada Gazette* and shall be laid before parliament within fifteen days after it is made or, if parliament is not then in session, within fifteen days after the commencement of the next ensuing session thereof.

Mr. GARDINER: I shall be pleased to accept that amendment.

Amendment agreed to.

Subsection as amended agreed to.

Section as amended agreed to.

Section 6 agreed to.

On section 7—Officers, clerks and employees.

Mr. BOUCHER: Section 7 is another illustration of something that we have met several times during this session which, to my mind,

is a definite attempt, or, if not an attempt, an indication of the government's continuing to employ people working for the government or for corporations or commissions of the government without reference to the Civil Service Act. I believe that that is an ignoring of one of the greatest supports and safeguards we have for the public servants of this dominion. Here we have a board set up with power to use their absolute discretion to hire, fire or employ those whom they wish under such terms as they like, irrespective of the services or the Civil Service Act.

The Civil Service Act as it now stands gives a great deal of protection to those loyal people in Canada who have worked for the government and have given brilliant service. There are privileges connected with it; they know their rights; they know their tenure of office is governed by an act of parliament. They know they are not subject to the whim or fancy of some individual employee on a temporary day-to-day basis with personal likes and dislikes interfering with the natural employment of the civil servant.

I can see no reason whatever why employees, clerks and many professional, technical and other officers should be hired by this board in a different way from permanent civil servants. I see no reason why this board should want so to hire them. If one reads the Gordon report on civil service matters he will find that that commission has within the confines of its directives recommended certain improvements in the Civil Service Act. One of the most important of those recommendations suggested a more expeditious and more efficient way of employing highly trained technical and professional men. This bill goes a long way beyond that.

The Gordon report recommended that the Civil Service Act should, in effect, be the procurement branch for those people whom the government wants to employ. This bill ignores that. As I understand it, the Gordon report recommended that the civil service commission ought to be the employment agency for those men whose services are sought by government, boards or commissions, I cannot see why the government wants to ignore the operation of the Civil Service Act, wants to put it in the limbo of forgotten memories rather than use it and improve it.

If these boards cannot get satisfactory employees through the civil service commission, why do the government not say, we do not want the Civil Service Act? Why do they try to make as many employment agencies as they possibly can, outside the confines of the Civil Service Act? It does interfere with our public service. As I have said before, hon. members should bear in mind that we cannot very well hire three or four different sets of employees without having them compare each other, without having some jealousy, bitterness and antagonism arise with respect to the rights and privileges granted each one. I think we are introducing a dangerous doctrine by having the government bring before us a bill setting up boards, commissions and crown companies and having the employees of these bodies removed from governmental responsibility and from parliament itself. It amounts to a dictatorial privilege of hiring, firing, employing and granting privileges beyond the Civil Service Act. The civil servants of Canada have had a long tradition of rights and privileges and of stability of employment. They know what they get under the Civil Service Act. I do not know what they will get under this bill or what their term of employment will be. Many factors enter into the matter, and I think the minister might very well give it further consideration, particularly in relation to officers, employees and clerks. There may be some excuse for having highly trained, technical men put on some special ground, because they are few in number and are specialists in their field, but there is no excuse for having ordinary employees and clerks, with no better qualifications, no different abilities, and in no different situations, hired by a board of this kind on a basis different from that on which the permanent civil service operates. Would the minister not take that suggestion into consideration and allow the section to stand until he sees whether he can bring in a provision that will have all these people within the scope of the Civil Service Act?

Mr. GARDINER: A question was asked the other day in connection with this matter. I am not quite sure whether it has been answered. I rather think it was submitted in the form of an order for return. The question asked was whether employees of such boards, commissions, corporations and controlled industries are on the civil service list and, if not, what are the names of the boards, commissions, corporations and controlled industries whose employees are not on the civil service list? I have the figures given here showing the agricultural food board, exempt, one; agricultural supplies board, exempt, four; meat board, exempt, one; special products board, one; agricultural prices support board, eight. That was at September 1, 1946, and it goes on down the line: Agriculture food board, January 1, 1947, one; agricultural supplies board, four; meat board, one; agricultural prices support board, eight.

These are the boards we are talking about and I wish to say this with respect to them. In spite of the fact that these figures are so small, I cannot recall any people who come in contact with myself who are not civil servants. These boards that we have are different from some other boards that hon. members will have in mind. It is one of the reasons why there has been criticism that the boards have not farm representation on them. The fact is, they are mostly civil servants. The members of the boards are practically all civil servants, though there are a few taken in from outside, such as those mentioned in connection with the meat board the other day. There are a few on the cheese board who are men in the trade itself. There are a few persons of that kind on the board. The food board consists of men who are in the inside service. The persons who are doing clerical work are stenographers and clerks who are in the civil service in their own offices, and that has been the case all through the war. We have had very few persons employed to assist in this kind of work, perhaps to a lesser extent than any other department of government during the war period.

We did not appoint dollar a year men; we did not appoint persons outside to take charge of this work. We said that the men who had been trained in it prior to the war, civil servants who had grown up in the service, in the handling of these products, were the kind of people we wanted to have handle these products. So we have Mr. Taggart, who is one of the high-ranking employees in the department itself, at the head of two boards, and Mr. Pearsall, who has handled the meat business for Canada practically ever since the end of the last war as manager of the wheat board.

These are the type of men who are handling the business. They have their own staffs in their own offices doing the job, and they have done it largely without increased staffs. It is true that we occasionally require short-time employees, probably in Montreal or in Winnipeg, probably somewhere else, to take charge of some work which will only be temporary. This bill is for only one year, and even during the war, when we made these agreements, it was anticipated that, within a reasonable time after the war was over, this work would cease. The persons taken on were competent officials, competent secretaries or stenographers who were asked to assist with the work, some of them only on part time and some with expenses paid when they came to Ottawa. As far as the members of the board were concerned, we may have employed for them in some cases one or two individuals to do the work that has to be done around their office. These are not civil servants and there is no reason why they should be.

If the figures quoted are the right ones, but whether they are the figures or not, there will not be any considerable number of them at all, and I suggest that the civil service commission itself would say that it would be more or less ridiculous to ask them to put persons through examinations and everything else necessary in order to obtain the services of these few individuals who will not be civil servants. As I have said, practically the whole staff of these organizations is comprised in the civil service. There may not be any of the types mentioned, technical persons or persons of that kind, and certainly few who will be employed in connection with this. We have these technical persons on our staff now.

Mr. COLDWELL: I rise to support the hon. member for Carleton, but I am glad to hear the statement made by the minister. I have always felt that this particular clause in so many of our acts was something that we should endeavour to change so that there would be no misunderstanding as to what was being done. In spite of the fact that the statement made by the minister is satisfactory, I believe that the hon. member for Carleton, in raising this matter, has done something which it was proper to do, because we must drive home to the government, when these opportunities arise, that it is the opinion of the house and, I believe, generally, that in all cases, as far as it is possible to do so, appointments should be out of the hands of the minister and in the hands of the civil service commission which we have established for the purpose.

The minister's statement was a good one and I was glad to hear it, but I wish to endorse what the hon. member for Carleton has said. In spite of the fact that the statement was a good one, I think the more frequently we drive this home to the government, the more likely it will be that the kind of policy which the minister says is being carried out in connection with these boards will be pursued in the future.

Mr. BOUCHER: I cannot go as far as the leader of the C.C.F. has gone in this respect.

Mr. COLDWELL: I am taking the face value of what the minister has said.

Mr. BOUCHER: What the minister has said shows amply that there is no necessity whatever for this section in the bill. If it is the fact that all or nearly all employees appointed by him by virtue of this act are

civil servants, why not leave them under the Civil Service Act? Why put this section in the bill? Is it put there in case there might in future be somebody not the minister administering the act? Today the country is faced with a difficult problem, and the government itself appreciates the difficulty it is having in cutting down administrative costs and in releasing from the civil service a great many people who have given valiant service to the government during the war and who are now let out because there is no longer any necessity for the functions they have been performing. I submit that they are the people who, having served the government faithfully, having shown their value to the government, should be continued on under the Civil Service Act and be given preferential appointments under these boards. The same with returned soldiers who have veterans preference. A man with veterans preference who had served the government for four or five years in a certain department now finds that his work is diminishing and he is consequently being released. The civil service commission could very well assist such people, who have done excellent work for the government, by maintaining them in the service through transference from some department in which they are not needed to these boards. As to getting a few temporaries, they can always be obtained through the civil service commission. The minister has not shown any reason why this section should be in the bill and I would ask him to reconsider it in the light of what has been said.

Mr. GARDINER: If we want technical men, is it suggested that a man needed for a week's job or even a month's job should come through the civil service commission? Is it suggested that we should take that to the civil service commission?

Mr. REID: You would not get it through in a year.

Mr. GARDINER: They are the kind of persons employed in this kind of work. There is not a permanent staff employed in this work. There cannot be any permanent staff employed under a bill that lasts for only a year.

Mr. BOUCHER: I think the minister will recall that yesterday he said that some of this legislation which was being brought in for a year must inevitably be continued. This is probably one which is to be continued on. If the minister tries to let us feel that we are dealing with something that is for only a short period, I think he is entirely misrepresenting the situation, even in his own mind, to members of the house. I feel that we should carefully guard against such a provision in this act, because I do not think he has shown any justification for having it in. Would the minister give us some further justification than he has already given for having this section in this bill?

Mr. McIVOR: Who will ask the civil service for these officers or these technical advisers?

Mr. MacNICOL: Use the same method as is in operation now.

Mr. BROOKS: I wish to endorse what has been said by the hon. member for Carleton. I have nothing in particular to add except this. It seems to me that this is more or less an evasion of the veterans preference. The more of these acts that we have under which the minister has power to make selection, the more it means that the veterans preference is being done away with.

Mr. MACKENZIE: Not necessarily.

Mr. BOUCHER: Substantially.

Mr. BROOKS: In effect, the veterans preference is done away with. There is no protection there. I know that with the Minister of Veterans Affairs who, according to his own statement is a great champion of the veterans, we might possibly feel safe. But he might not be there all the time.

Mr. MACKENZIE: I am grateful for the cynical remarks made by my hon. friend.

Mr. GREEN: You asked for it.

Mr. BROOKS: The minister ought to be able to recognize cynical remarks because I have not heard any more cynical ones than some made by him. Apart from that altogether, I do not think it is treating the returned soldiers preference in the manner in which it should be treated. The Minister of Agriculture belittles the matter. He says, "Well we appoint all civil servants anyway, except perhaps somebody who was appointed for a month or something of that kind."

Mr. GARDINER: I made it broader than that.

Mr. BROOKS: I ask the minister this question. In the appointment of his temporary employees, will he give the returned soldier the preference?

Mr. GARDINER: I think I have as much reason as anyone else in the house for giving the returned soldiers the preference, and I believe I have given them the preference as

much as anyone else in the house. I do not think I require to give any undertaking, and the department knows it.

Mr. BROOKS: That is just another evasion, and not a direct answer.

Mr. GARDINER: I will make it just as direct as you want it. The answer is, "yes."

Mr. BROOKS: That is all right.

Mr. CRUICKSHANK: May I ask a simple question? If the appointments are made by the civil service, will they be made, as usual, on Conservative recommendation?

The ACTING CHAIRMAN (Mr. Golding): Shall section 7 carry? Carried.

Section agreed to.

The ACTING CHAIRMAN (Mr. Golding): Shall section 8 carry?

Mr. GREEN: Before this section carries—

The ACTING CHAIRMAN (Mr. Golding): It is carried.

Mr. GREEN: Do not be in a hurry, Mr. Chairman.

The ACTING CHAIRMAN (Mr. Golding): Order.

Mr. FRASER: It must be carried four times now, Mr. Chairman.

Mr. MACKENZIE: You are lucky it does not require a greater number.

The ACTING CHAIRMAN (Mr. Golding): There is an orderly way of conducting the business of the house. We called section 7 and it was carried.

Mr. HATFIELD: Section 6 has not been carried yet.

Mr. GARDINER: You were asleep.

The ACTING CHAIRMAN (Mr. Golding): Section 7 is carried. Then I called section 8.

Mr. GREEN: Mr. Chairman, there was a certain amount of cross-fire in the chamber, and while that was going on you may have said, "Is the section carried?"

The ACTING CHAIRMAN (Mr. Golding): Is the hon. member questioning that statement?

Mr. GREEN: Yes, I am, very much.

Mr. MACKENZIE: The section was carried.

Mr. GREEN: I do not think section 7 should be considered as carried.

[Mr. Gardiner.]

Mr. GARDINER: May I just make a suggestion, Mr. Chairman? There is not any doubt that it was carried. But the usual practice in this committee is to ask that we revert to a section, if it is so desired. If the hon. member asks that the committee revert to section 7, and there is no objection to doing so, we shall probably revert to it. Why have an argument about it?

Mr. GREEN: I am not admitting for a moment that it was carried.

Mr. MACKENZIE: Yes, it was.

Mr. GREEN: However I suggest that we revert to section 7.

The ACTING CHAIRMAN (Mr. Golding): In other words, you do not take the Chairman's statement about that? You do not accept the Chairman's statement? Is that your position?

Mr. GREEN: I say that we did not hear you say "carried", and I do not think it should be put through in that way.

Mr. MACKENZIE: Yes, it was carried.

The ACTING CHAIRMAN (Mr. Golding): Order. I want to state again, and state emphatically, that section 7 was carried. Then I called section 8.

Mr. MACKENZIE: Yes.

The ACTING CHAIRMAN (Mr. Golding): As the Minister of Agriculture has said, if the committee wishes to revert to section 7, it is perfectly in order for it to do so, by consent of the committee.

Mr. MACKENZIE: Unanimous consent.

The ACTING CHAIRMAN (Mr. Golding): But not by decision of the Chairman.

Mr. GREEN: There is a serious point of procedure involved here, Mr. Chairman. We shall be dealing with many sections of various bills during this session. I have never seen anything like this attempted before. Where a chairman says that a section is carried, and there is some misunderstanding about it, or members do not hear that that has been said, it has always been taken that we should go on with your discussion, and that there would be no such thing as cutting off discussion.

The ACTING CHAIRMAN (Mr. Golding): Order. There is a proper procedure for the hon. member to follow, and it is not to question the statement made by the Chair. He should ask the committee if it will revert to section 7.

Mr. GREEN: I will ask that the committee revert to section 7.

Some hon. MEMBERS: Carried.

The ACTING CHAIRMAN (Mr. Golding): Is that the wish of the committee?

Some hon. MEMBERS: Carried.

The committee having reverted to section 7.

Mr. GREEN: I suggest that this question of how the employees of the dominion government are to be hired is an important one. Some of the members will remember sitting before the war, on a special committee which dealt with the Civil Service Act. We went thoroughly into the whole question of the merit system. In the last two or three sessions we have seen bill after bill brought in containing the provision that the minister concerned did not need to go to the civil service commission; in other words, bypassing the commission. I would ask hon. members to consider this fact: In effect, we are throwing the merit system overboard. It will take just a few more bills of this type completely to ruin the merit system in the Canadian civil service, and that is something which should not be done. I know there are some members of the house, perhaps some in every party, who do not care about the merit system. They would be quite glad to see it thrown out. But if the merit system goes out, we have nothing left but patronage; and surely we have gone far past the stage when dominion employees are engaged on a patronage basis. In this particular case the minister is given the power to hire technical and scientific personnel. He has already admitted that he has technically and scientifically trained men and women on his staff, and they must go through the civil service commission. They have to go through the civil service commission. Why should he now want power to hire people with these qualifications outside the commission? As for the other officers and employees, surely they can be obtained through the commission. I suggest that we should not put a provision like this in this bill. No harm will be done if the employees are engaged through the commission. Therefore I would ask the minister to drop subsection 1 of section 7. The result would be, of course, that the personnel would have to be engaged by the civil service commission.

Mr. MacINNIS: Ever since I came into this house I have advocated the employment of the staff of the civil service through the civil service commission. When we had another bill before us a week or so ago an amendment was moved, I think by the hon. member for Haldimand, to have the staff covered by that bill recruited through the civil service commission, and I supported that point of view. On that occasion the minister concerned said it could not be done, and the hon. member withdrew his amendment. There was far more reason at that time for insisting on having the staff engaged through the civil service commission than there is under this bill. If you turn to section 11 you will find that this is a temporary measure; and personally, though I favour the principle that everyone who is to be a permanent civil servant should be employed through the civil service commission, if this is merely a temporary measure I do not think there is a very good case for insisting that the staff be engaged in that way. We have to be consistent in this matter, and certainly I am not going to press for that change at this time. If this legislation should be continued; if we could make it a permanent measure, as we tried to do, as far as I am concerned and, I believe, as far as this group is concerned we would insist that the staff be recruited through the civil service commission.

Mr. MacNICOL: Like the hon. member for Vancouver East, ever since I have been in this house bills have been brought in and passed containing the same provision that appears in this bill. Let me read it:

> The minister may, with the approval of the governor in council, employ such professional, technical or other officers, clerks and employees as are necessary . . .

That provision has gone through many times in many bills during the seventeen or eighteen years I have been here, not only under this government but under the previous government. I am now asking myself, how many employees now working for the government have been appointed other than through the civil service commission? I agree with all that has been said, that surely the time has come when the civil service commission should be competent to engage the staff required by the government, or that should be done in some other way. I call the hon. member for Carleton the watchdog of the civil service, because he is always on his feet in their defence, and I agree with what he has said. Having in mind what was said by the minister, however, that this is a temporary measure, that may be some justification, but the minister said that this measure may be extended for two, three or four years; or it may become permanent. In that case those employed in a temporary capacity would be taken on as permanent employees, and that would not be fair to the civil service commission. I think we have gone altogether too

far in many of these bills in taking the employment of personnel for the government service out of the hands of the commission and leaving it to the ministers of the various departments, and I suggest that the time has come to call a halt.

Section agreed to.

Mr. BURTON: I am sorry to be bothering you, Mr. Chairman, but I should like permission to revert to section 6 for a short time.

Some hon. MEMBERS: No.

Mr. BURTON: This will not take long, if I have permission.

Mr. KNOWLES: That section was not discussed at all.

The ACTING CHAIRMAN (Mr. Golding): The hon. gentleman wishes the committee to revert to section 6.

Some hon. MEMBERS: No.

The ACTING CHAIRMAN (Mr. Golding): Go ahead.

On section 6—Advisory committees.

Mr. BURTON: Thank you, Mr. Chairman. Section 6 reads:

The minister may from time to time establish advisory committees to advise and assist him in the administration of this act.

That deals in part with something we discussed previously, and the minister agreed to make a slight change.

Mr. GARDINER: I know what you are going to move; so go ahead and move it, without taking too much time.

Mr. BURTON: I am very happy to find the minister so cooperative tonight, and I thank him. I move, seconded by the hon. member for Selkirk:

That section 6 be amended by striking out the words "may from time to time" where they appear in the first line, and substituting therefor the word "shall."

And the said section be further amended by inserting after the word "committee" where it appears in the second line the following: "with adequate producer representation."

Mr. GARDINER: Accepted.

Amendment agreed to.

Section as amended agreed to.

Sections 8 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

[Mr. MacNicol.]

Mr. GARDINER: Now, with the permission of the house.

Some hon. MEMBERS: Next sitting.

Mr. SPEAKER: Next sitting of the house.

PRIVILEGE

MR. BRYCE—CABLE FROM SIR WALDRON SMITHERS

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, with your permission I rise to a question of privilege. I have received from you a cable regarding a statement I made in this house on Monday evening concerning Sir Waldron Smithers, M.P. The cable reads:

Speaker,
House of Commons,
Ottawa, Canada.

Please tell William Bryce his criticism of me due to misunderstanding. *Hansard* reports when I was there in Canada dollar wheat showed good profit to consumer. That was thirty-five years ago. Please ask Bryce give equal publicity. Respectful good wishes.

Waldron Smithers,
Commons, London.

If Sir Waldron Smithers had been well enough informed about Canadian affairs to be justified in making any statement as to what would constitute a fair price for wheat, he should know as much about conditions in Canada today as we know about conditions in Britain. If he had possessed that knowledge he never would have made the statement which he was reported to have made, and which his cable appears to confirm. I still think the knight owes this country an apology for a statement which is the reverse of the fact.

Let me repeat this statement again: If we had done what he alleges we did, we would have demanded the market price, at least for the wheat, and that would be around $3 a bushel instead of the $1.55 Britain pays today. And let me say, I do not begrudge this bargain to Britain because it affords an opportunity for us to assist Britain in her present difficulties, which we are proud and glad to do. In the second place, it lays a base for the establishment of stabilized prices for our products. I personally, along with many Canadian farmers, resent being insulted by one who is a beneficiary of our favourable agreement.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

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

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for

a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

He said: The object of the bill which will be based upon this resolution is to continue in force for a period not exceeding one year from March 31 next a specified group of orders and regulations of the governor in council which were passed under the War Measures Act or the National Emergency Transitional Powers Act, 1945. In the speech from the throne His Excellency stated the intention of the government in the following terms:

> The policy of the government is to maintain only such price and commodity controls as may be required to protect consumers from a sudden and drastic rise in the cost of living, and to ensure the fair distribution of essential goods and services which are in short supply. You will be invited to consider what measures may be necessary to continue this policy after the expiry of the National Emergency Transitional Powers Act. Where it may appear advisable to continue these or other transitional measures, the required legislation will be submitted for your approval at the earliest possible date.

The proposed bill will set forth all the measures of an emergency nature which the government considers it is necessary or expedient to retain subsequent to the expiry of the National Emergency Transitional Powers Act, 1945. The government does not recommend that parliament confer upon the governor in council any general powers to make orders and regulations with respect to general subject matters. Rather it is considered that the stage in progress of this country from war to peace has been reached where it is possible to carry out the policies of translation and decontrol upon the basis of powers which are contained in orders and regulations of the governor in council now in existence.

Hon. members will recall that upon the outbreak of the war in 1939 the War Measures Act came into force upon a proclamation of the governor in council declaring that a state of war existed. That statute conferred upon the governor in council the widest possible powers. Only the extreme nature of the emergency with which the country was faced justified the vesting of such powers in the executive, but this crisis made it imperative that wide powers should be exercisable in a speedy and flexible manner.

With the cessation of hostilities in 1945 it became apparent that, while the emergency created by the war had not by any means come to an end, the extensive powers necessary to meet the day to day exigencies involved in the active prosecution of the war were no longer necessary. Parliament was accordingly advised that the situation no longer called for the continued use of the powers conferred by the War Measures Act, but that powers of a less extensive nature would be sufficient. Parliament accordingly, being of the opinion that the national emergency arising out of the war continued to exist, conferred upon the governor in council power to make regulations for the purpose of (a) providing for and maintaining the armed forces of Canada during the occupation of enemy territory and demobilization and providing for the rehabilitation of members thereof; (b) facilitating the readjustment of industry and commerce to the requirements of the community in time of peace; (c) maintaining, controlling and regulating supplies and services, prices, transportation, use and occupation of property, rentals, employment, salaries and wages to ensure economic stability and an orderly transition to conditions of peace; (d) assisting the relief of suffering and the restoration and distribution of essential supplies and services in any part of His Majesty's dominions or in foreign countries that are in grave distress as the result of the war, or (e) continuing or discontinuing in an orderly manner, as the emergency permits, measures adopted during and by reason of the war.

The National Emergency Transitional Powers Act, 1945, as amended by chapter 60 of the statutes of 1946, expires on March 29 next. The government, however, must advise the house that the national emergency arising out of the war cannot yet be said to have come to an end and that the time has not yet come when emergency measures can be wholly discontinued. In particular, let me emphasize that the time is not appropriate for the complete removal of emergency economic controls for reasons which I shall give later. The government, therefore, while prepared to recommend that the National Emergency Transitional Powers Act be allowed to expire according to its terms, is nevertheless of opinion that certain transitional measures should be continued for the time being.

These measures, of which office consolidations have been printed and circulated to hon. members of the house, fall into three classes which may be described in very general terms as regulative, administrative and legislative. Examples of regulative orders are those auth-

orizing the continuance of price control, rent control, eviction control, the control of distribution and supply, including rationing. Examples of administrative orders are those relating to members and former members of the armed forces and merchant seamen, the disposition of claims against the crown arising overseas out of the war and the administration of property of the Japanese in Canada. The orders which I have called legislative are the orders relating to old age pensions, veterans preference in the civil service and labour relations. The reason I put those in a special category is that they will be replaced later this session by acts of parliament.

As the house was informed last August, a committee of officers of the Department of Justice and the other departments concerned under the direction of the Solicitor General has since the latter part of 1945 kept under continuous examination and review the orders in council passed as emergency measures. Recommendations for revocation of orders have been made from time to time, and the committee has reported that all but the measures appearing in the office consolidations to which I referred can be allowed to expire with the expiry of the National Emergency Transitional Powers Act, 1945.

However I should state that there will be a supplement to the office consolidations which will be distributed and which will contain two other orders relating to the control of atomic energy. For reasons which have appeared since the office consolidations were printed, it has appeared that these are orders which it is believed should be continued under the authority of this legislation.

Mr. GREEN: When will they be available?

Mr. ILSLEY: Tomorrow, it is expected. They will be printed in the appendix to the bill which will be circulated when it receives first reading. At least reference to that will be printed in the appendix to the bill. But the orders themselves will be circulated at once. They are at the printers now, and I was told today they will likely be available tomorrow.

When the bill comes before the house, there will, of course be an opportunity, if the house so desires, of discussing any or all of the orders in council to be continued by the bill; and the ministers of the several departments concerned will be prepared to answer questions in committee relating to their respective orders in council. I think, however, I should say something at this stage regarding the orders relating to the control of prices, rentals and supplies, and especially to the operations of the wartime prices and trade board.

[Mr. Ilsley.]

As I said earlier in my remarks, the time is not appropriate for the complete removal of these important emergency economic controls. While much progress has been made in expanding our peacetime production, and while the flow of output is gathering increasing momentum, production in a number of important fields has not yet overtaken the high level of demand which in some cases, like that of housing, has been accumulating for years.

Moreover, the consequences of the war are still very apparent in external markets. Worldwide shortages of basic materials and foodstuffs limit the supplies of a number of goods available in Canada. On the one hand, they mean extraordinarily large and urgent demands for Canadian foodstuffs, raw materials and other goods, and on the other hand, they limit the supplies of such imported basic commodities as sugar, vegetable oils, tin and steel. High and fluctuating prices in world markets give us some idea of the sort of market conditions which would be reflected in Canada if all controls, including export controls, were dropped at this time. While the government has been moving as promptly as conditions warranted in removing controls, there can be little doubt that an immediate removal of all remaining controls would have very serious and undesirable consequences.

In some cases, the consequences are quite obvious. For example, I do not think there can be much question as to what would happen if the controls over rentals and evictions were removed in present circumstances. In the face of the continuing shortage of housing accommodation, it is clear enough that rents would rise sharply and that evictions would be counted in the tens of thousands.

Some hon. MEMBERS: Oh, oh.

Mr. ILSLEY: Absolutely true; and anyone who denies it is just living apart from the facts.

The results of a sudden removal of price and other controls over such commodities as sugar and vegetable oils, where external prices are high and supplies difficult to obtain, must be equally apparent. Prices would not only rise sharply, but distribution would be uneven and disorderly, and the needs of many citizens could not be met. In the face of the international conditions in the economic sphere and of the gaps which, though narrowing, still persist between domestic supplies and demands, there can be no doubt that prices of foods, textiles, fuels and, of course, rentals would rise suddenly and substantially. The same thing would be true of many basic materials, with consequent additional pressure on the

prices of many manufactured goods. And not only would prices and living costs advance suddenly and sharply, but we would also be plunged into a condition of disorderly markets, and perhaps soon after would be faced with widespread price declines with their inevitable restrictive effects on production and employment.

I do not suggest that we would be faced with uncontrollable inflation on the central European or Chinese pattern. That obviously is not the case. Production in this country has increased too much for that sort of thing, and we did not, during the war, suffer disorganization and destruction in our domestic economy.

I do say, however, that we would have a sudden and marked increase in our price level, and in the cost of living, which would rapidly carry us toward the notably higher level of prices prevailing in the United States.

One can readily imagine how an abrupt and substantial rise in living costs would contribute to an unsettled state of industrial relations and to delays and interruptions in the production of goods which are so eagerly demanded. It is not difficult to appreciate the hardship and the reduction in living standards that would result for the many families whose incomes are relatively fixed—wage-earners, school teachers, white-collar workers, pensioners and so on. That there would be profiteering and speculation in the necessities of life can be taken for granted. And it is an absolute certainty that many prices, after rising suddenly, would fluctuate widely, and later on decline perhaps as abruptly as they went up. To remove all controls now would be to ask for a sudden and disruptive jump in our prices and living costs at the very time when we can begin to see ahead of us the completion of the job of orderly readjustment. We would be throwing away many of the advantages of the policy which Canada has successfully followed when, with a little more persistence and a little more patience we could pilot ourselves through the difficult period of readjustment without the dislocation and economic disorder which usually follows war.

If we are to achieve an orderly readjustment it will be necessary to continue a number of controls for the time being. I cannot subscribe in any way to the opinion that immediate decontrol would be more conducive to more orderly conditions than the policy of gradual and planned decontrol which the government is following. We have before us the experience of the United States where all price controls except those over rents and two specified commodities were removed not long ago.

Mr. GREEN: Which two?

Mr. ILSLEY: That experience gives a very fair idea of what could have been expected in this country had we followed a similar course. What did happen in the United States can be described in its broad outlines quite briefly. In the seven months following June 30, 1946, when O.P.A.'s powers first expired, the official cost of living index rose 20 points, from 33 per cent over the pre-war level to 53 per cent over that level. The food component of the cost of living index rose by 38 points during the same seven months. The general level of wholesale prices in the United States, which was 40 per cent over the pre-war level in June, 1946, was 76 per cent over that level in January 1947, and has not declined since.

Not only have prices risen sharply in the United States, but those of a number of important commodities have fluctuated widely and in a manner which it would be very difficult to describe as orderly. To take two very important examples, prices of beef and pork in the United States have been showing remarkable gyrations. The wholesale price of beef in New York jumped from its former ceiling at the end of June of somewhat over $20 per hundredweight, to $55 early in July. It then came down to around $36 and a ceiling of around $25 was reimposed in September. When that ceiling came off the price soared to $62 and then it fell again and the latest quotation is around $40. We can see the same sort of story in pork, in lard and in butter. Whatever else it may be, it is not a picture of orderly conditions. There are, of course, many other prices that have gone up and have not come down. The prices of cotton fabrics rose in line with the rise in the price of raw cotton which was not under price control until the time when controls over textile prices were dropped. Since then the price of raw cotton has shown some decline, but the prices of fabrics have risen very substantially. While no one would suggest that Canadian consumers like the price increase that it has been necessary to authorize in this country, it must surely be clear that the immediate removal of the economic purchasing controls would involve much greater price increases, widely fluctuating markets and opportunities for speculation and exploitation which ought to be apparent to anyone who takes the trouble to examine the actual background of our present position.

The government's policy is a common-sense one. It is one of orderly readjustment as opposed to boom-and-collapse readjustment. It is a policy of trying to avoid the disorder and disruption which all history and which experience in other countries today show is the usual aftermath of war.

Most of us remember the sort of thing which happened to prices and living costs after the first world war here in Canada. Prices had risen sharply during the war, and after a short pause they soared on upward until at the peak of the boom in 1920 living costs were some 90 per cent over the pre-war level and wholesale prices had reached a peak of some 150 per cent higher than before the war. Then prices collapsed. That sort of thing which also happened in the United States and in Great Britain was boom-and-collapse readjustment. The Canadian people wish to profit by that experience and not to repeat it. And that is the policy the government has been following with some considerable success.

While prices in many other countries have been soaring and fluctuating widely, a gradual upward movement has been permitted in Canada. The cost of living in the United States has gone up eighteen per cent since the end of the war while it has risen six per cent in Canada. The wholesale price level in the United States has risen by one-third, while in Canada it has advanced by eight per cent.

Admittedly the readjustment is not completed but substantial progress has been made. Moreover, if history repeats itself and prices decline in external markets we may not have to adjust ourselves to the sort of price level which is implied by prices now prevailing in world markets. And even if that price level is sustained, we shall have made an orderly adjustment and saved ourselves the hardship and disruption which premature decontrol would surely involve.

Recognizing that we cannot suddenly abandon all controls, it may still be asked what specific economic controls remain necessary. While I cannot answer that question in full detail, both because of the time it would take and because no one can exactly forecast the conditions affecting individual commodities, a specific list of goods and services still under price control was published in the press in January and appears in its full detail in wartime prices and trade board order 684. This order lists all the goods and services over which the government believed specific price ceilings were still necessary in the middle of January. It represents a notable reduction from the list published last July but it still covers most of the basic foods, practically all articles of clothing, most of the important fuels, rentals, and a number of basic materials and farm supplies. It is the government's policy to reduce that list further as rapidly as conditions permit. But I cannot say when it will be practicable to take the next step or what goods will be included. Even if I could, such an announcement would be quite improper and would render impracticable any effective control over the goods concerned. I cannot even say for sure that all goods now freed from price ceilings will remain decontrolled. It was necessary, for example, to reimpose price ceilings on one item which was decontrolled in January. Of course there will be no general reimposition of ceilings, but decontrol is a matter of judgment and one cannot always be sure that unforeseen difficulties will not develop. I should also point out that, even when specific price ceilings are removed from particular commodities, it does not necessarily follow that all other controls affecting those products can be dropped. This is usually the case, but not always. For example, price ceilings no longer apply to most fish, but it is still necessary to exercise some controls over exports to assure a sufficient and balanced supply in the Canadian market.

Some hon. members may want to know how long the remaining controls will continue to be needed. Again, I cannot give a specific or detailed answer. I can certainly say, however, that the government does not expect to come to the house a year from now with a proposal for the continuation of the orders in council annexed to the proposed bill, at least in anything like their present breadth and scope. There are some fields in which specific controls may still be necessary even then. Hon. members can judge for themselves whether rental controls will still be needed in a year's time, and it is possible that we may still have some continuing problems of a major nature in regard to a few commodities such as sugar. But it would be my judgment that any such residual problems could be dealt with specifically and that we should have discontinued the great bulk of emergency controls before that time.

The timing of decontrol in the months ahead will be related to economic developments both at home and abroad. Production in Canada and in the United States is now expanding rapidly. In these circumstances, I believe that decontrol is likely to proceed quite rapidly but, as I have emphasized, it is the government's intention to avoid disorderly price fluctuations and confused markets which abrupt abandonment of all controls would be certain to produce.

I would remind the house that Canada led the world in the novel experiment of an over-all price ceiling and rental control. We ploughed new ground in the formulation of the policy, in the drafting of the regulations and in the administrative application of them. Of necessity, we had to phrase the regulations in broad language. The problem we were tackling had such infinite implications that we thought it better to err on the side of comprehensive coverage than to attempt specific definitions of every conceivable type of transaction affected by the over-all price control and rental control. In the event, I suggest that this approach provided the flexibility which made administration practicable and contributed greatly to Canada's success in this incredibly difficult field of economic administration, a success which has made this country the envy of practically every other nation in the world, not only for the effectiveness of its controls during the actual fighting but for the manner in which orderly conditions have been maintained in the disturbing period of post-war readjustment.

The temporary continuation of these powers is desired for the sole purpose of ensuring that this country may weather the very difficult problems of readjusting its economy to a peacetime basis after the strains of a war, the like of which this world has never seen. We tend to forget the scale and magnitude of the terrific effort which this country and its fighting allies had to achieve in order to snatch victory from forces of evil which came very close indeed to overwhelming the world we know and the way of life we seek to maintain. We may become impatient about what seems to be the slow progress out of the maze of wartime controls which for a time held all belligerent countries in the iron grip of a wartime discipline. But I urge hon. members to reflect on what the war did, and the price which must be paid for it. Make no mistake about it, the influence of this war will be felt through the life-span of every member of this house, and the two years or even a little longer taken patiently and intelligently to unwind wartime controls is not at all an unreasonable period, when viewed in the perspective of the job to be done.

The government has stated repeatedly that controls will be lifted just as quickly as is consistent with the avoidance of a sharp and disorderly increase in our prices and it has already taken a number of important steps in the direction of full decontrol. In following that policy it is clear that good judgment in regard to the timing of measures of decontrol is of prime importance. I believe the record shows that judgment in this respect has been good. In the administration of the policy I submit also that the record of the wartime prices and trade board has been a highly creditable one. The board throughout its existence has discharged its duties in the highest sense of trusteeship. In a measure of this scope, there are, of coure, bound to be individual cases in which disagreement on methods or action will arise, but as the minister to whom for years the board reported, I wish to pay a tribute to the wartime prices and trade board for its devotion to the public interest, its high regard for the principles of justice and the consistency of its record in placing at all times the general interest above any special interests whatever.

I felt yesterday that I should rise and associate myself with the tributes that were paid Mr. Gordon, but I did not do so, because I thought there might be an opportunity on this occasion. I did, however, appreciate those tributes very much. I appreciated greatly what the Prime Minister (Mr. Mackenzie King) said and I also appreciated deeply what the leader of the C.C.F. (Mr. Coldwell) had to say. He stood up in this house and was not afraid, although he was in an opposition party, to say a good word for a great public servant.

The board regulations have been gone over carefully in the light of over five years of practical experience. A number of provisions have recently been withdrawn, or amended, in the light of that experience, and the orders now before the house represent the kind of authority which the board needs to finish the job which it has discharged with such distinction up to date.

I am quite ready to admit that the powers delegated to the board under these orders in council are wide powers. But they are necessarily wide. The board must have authority if it is to complete the task assigned to it under the government's direction. It may be argued that it should be possible to define the particular goods and services to which these powers are applicable. But in practice, I do not think that such definition would be desirable. Some hon. members may feel that the powers should be limited to a specific list of goods and services, say the list last announced. But if that were done, the board would have no power to deal with prices which for unforeseen circumstances began to rise abruptly or unreasonably. The board would have no power to deal with speculative excesses or profiteering that might develop on decontrolled items, as it has under the present regulations which prescribe that no goods and services shall be

sold at prices that are higher than is reasonable or just. It would have no power to use other measures which might be necessary even if price control for the commodity concerned was no longer required.

The system which we have had to date has worked and the administration has been efficient and reasonable. Though there are some people who have made quite unjustified insinuations about the wartime bureaucrats, the record of the prices board in efficiency, fairness, and honest administration speaks for itself. I would ask hon. members to consider whether there is any reasonable possibility of abuse of these powers in the light of the record during the war and during the more recent period of gradual decontrol. For myself, I am convinced that there is none. I am convinced that to finish this job effectively we must and we can safely rely on the prices board under the direction of the Minister of Finance (Mr. Abbott) to use its powers in a fair and proper manner and in the spirit and tradition which this house would demand.

I suggest, Mr. Speaker, that the discussion in this house of the proposed measure take place as far as possible on the second reading of the bill rather than on this resolution. The house will then have before it the bill with its appended schedule of orders in council, and after the second reading takes place, will have full opportunity to discuss in committee of the whole not only the orders appended to the bill but the individual provisions of these orders if it is thought fit to have a detailed discussion on these provisions. As I indicated earlier in the session, there will be an opportunity for members to propose amendments to the orders in council in question if they desire to do so, but I am not inviting any such amendments and I hope that none will be necessary.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the Minister of Justice (Mr. Ilsley) has suggested that the main debate on this matter take place on the second reading of the bill which will later be introduced rather than that we debate it at this time. With that suggestion we in this party are in entire agreement.

I wish to take but a moment now to outline the position as I see it. The motion before us is to go into committee of the whole to consider the expedience of introducing a measure providing for the temporary extension of certain transitional measures beyond March 29, measures which would ordinarily terminate at that time unless provision is now made for extending them.

[Mr. Ilsley.]

The proposed bill, from the statements made by the minister at an earlier time, will deal with about fifty-five different orders in council. The main principle is the extension of the powers granted in all these orders in council. But these orders in council are of varying degrees of importance and they differ widely from one another. I think the idea now of going into committee of the whole, where we may ask the minister questions and then, later on, debate the main principles in the bill, is a good suggestion.

Speaking for this party, I may say we are agreeable to passing this motion at this stage, asking for certain further information in committee, and then, with the bill before us, and at a later time, as the minister suggests, going ahead with the debate.

We propose to reserve the right either to support or to oppose the different sections of the bill in committee of the whole, and to debate the whole general question on second reading. Under those circumstances we are agreeable to the passage of this motion at this time.

Mr. M. J. COLDWELL (Rosetown-Biggar): Usually when a suggestion of this kind is made by the Minister of Justice (Mr. Ilsley) or any other minister of the government we try to fall in line with it, but on this occasion I think one must say something more than a few cursory words regarding the motion now before us. I say this, Mr. Speaker, because, as will be seen from the remarks I shall make, we wish to place ourselves on record regarding the whole policy of controls and the policy of the government in regard to decontrols.

If it were necessary tonight to make out a case against decontrols to a greater extent than I am inclined to make it just now, I think that has been done in large measure by the minister himself. His defence of the controls that have been in effect, his statement regarding the situation which developed in the great country to the south last July and again last October, is, I think, a sufficient vindication of the main controls that have been put into effect in Canada and a vindication of those of us who believe that, instead of entering upon a policy of rapid decontrol, even on a planned basis, we should, in the interests of the Canadian people, not only maintain useful controls but, in some instances, even reimpose controls that have been lifted.

The resolution to be considered precedes the introduction of a measure—what for?—to provide for the continuation of certain orders and regulations for a limited period

during the national emergency arising out of the war; in short, by an act of this parliament to authorize the continuance of certain controls for a certain limited but unspecified period. I wish to say on behalf of this party that we shall seek to amend this motion in order to provide for consideration by the government and by this house of a different policy, the policy of maintaining beneficial controls and indeed, where necessary, of instituting comprehensive controls in order to protect the interests of the Canadian people.

I know perfectly well that in doing this we run counter to a great deal of propaganda in this country, propaganda that has gone on ever since, before the war ended. The amazing thing about this propaganda is that, while it has had some effect in, shall I say, political circles, it has had hardly any effect upon the general public. The recent Gallup polls indicate that conclusively. In the Gallup poll of Canadian public opinion, published in a number of Canadian newspapers on January 18 of this year, sixty-six per cent, or two-thirds of the persons interviewed at that time, answered "no" to the following question: "There has been talk of taking price controls off everything but rents after Christmas. Would you approve?" Sixty-six per cent answered, "no"; only twenty-seven per cent answered, "yes", and the remaining seven per cent apparently had no opinion to express. Since then, a number of labour and agricultural conferences have taken place: the United Farmers of Alberta, affiliates of the Canadian Federation of Agriculture in various places, the Canadian Congress of Labour and other organizations. All of them, by resolution, have urged the maintenance of controls in the interests of the Canadian producer and of the Canadian consumer.

Last night I listened to an interesting and, I may add, an excellent radio address by the hon. gentleman who is parliamentary assistant to the Minister of Finance, the hon. member for Victoria (B.C.) (Mr. Mayhew). But the tenor of that address was how beneficial the controls which had been instituted and maintained had been for the Canadian people. The minister himself tonight made a somewhat similar case on behalf of the controls. Yet controls are being discontinued, even while this parliament sits, I think in the face of public opinion in this country.

The voice of the executive council of the Canadian Manufacturers' Association, heard from the city of Toronto on January 28, and demanding the removal of controls as soon as possible, has been, more effective, I believe and heard more distinctly, shall I put it, in this chamber than the voices of the masses of the Canadian people. What is forgotten is that the demand from private interests is a demand for the ending of public controls instituted in the public interest, for the ending of public controls now under the authority of this parliament, that is, by authority of the elected representatives of the people. I say to this house that the question we should be considering is a different one. We should be concerned, not with the elimination of controls by public bodies, but with the elimination of controls by private corporations, the elimination of controls by private monopolies; and in many respects this is a monopoly-ridden country. It is not a question of controls. It is a question of what kind of controls, by whom, and for whose benefit?

I say that the job of this house is to protect the public and to see that beneficial controls in the public interest are maintained, and as I said a little earlier, extended, if needs be, in the interests of the people and under the supervision of the elected representatives of the people. I know that such controls may embody new techniques of decentralization and democracy, which will enlarge the economic freedom and the social well-being of the people, which surely are the fundamentals of democratic progress.

At the moment we as a party are interested in preventing the removal of price ceilings and price controls, so that the cost of production and the standards of living shall not be affected adversely by price increases. The time will come of course, on the other hand, when the welfare of the Canadian people may be affected by quite the opposite thing; that is, by deflation. When that time comes the people of Canada will again demand the use of controls to prevent impoverishment of great masses of the people from an entirely different cause. As the minister has shown us tonight, our experience during the war when severe shortages of consumer goods existed, as well as in this immediate post-war period, has proved conclusively to the people of this country that public controls and subsidies can be used for the common good. But, as the minister has done tonight, the government on numerous occasions has made it clear that its aim is to dispense with controls in an orderly fashion and as rapidly as the situation will permit.

I wish to put our position in this way. On the other hand, we believe that the world situation and our own domestic situation demand the retention of public controls so that we may eventually stabilize our economy and proceed to expand and improve our own

standard of living. May I say that, in discussing this problem, we cannot overlook the world situation. The clock cannot be turned back. There is no going back again to the conditions that we knew, I was going to say, in the years before the war. I hope we may never see the conditions we saw in the nineteen-thirties. But what I wish to say is that we shall not see the world return to the kind of economic conditions it knew either before the first great war or between the two great wars.

The improvement of the standards of living for the people should be the aim and obligation of public economic policy; but this requires—and I want to say this emphatically—intelligent planning, and there can be no planning without measures of control. Some of my hon. friends object to planning; they object to controls; yet time and again these same objectors in this house rise in their places and demand the setting of parity prices for farm products, or the elimination of the grain exchange, or the marketing of wheat through a public agency such as the wheat board, and support plans for import and export boards. I wish to say that every one of these policies demands economic planning, and they all demand large measures of control. To secure and maintain proper relationship between the farmer's products and the things he must buy to produce them, and to live decently, requires the planning and control of a very wide area of our economic activity. The trouble is that some people want it both ways, and we cannot have it both ways. We cannot one day demand parity and orderly marketing, and the next day denounce public planning and controls as steps toward regimentation and slavery, as my hon. friend the leader of the Social Credit party (Mr. Low) did in this house during the debate on the address.

Now I wish to say this because we want to put our position clearly before this house, because we believe in social planning and social security—

Mr. LOW: Planning by whom?

Mr. COLDWELL: By the people of this country, through the democratic institution of parliament.

Mr. LOW: There is no such thing as public planning.

Mr. COLDWELL: There is no such thing as a democratic institution? I believe my hon. friend believes just that.

Mr. LOW: There is no such thing as public planning.

Mr. COLDWELL: Because we believe in social planning and social security, and in the maintenance of intelligent and essential public controls, and because we want to put our position as clearly as possible before this house, I desire to move an amendment to the resolution now before us. I move, seconded by the hon. member for Vancouver East (Mr. MacInnis):

> That Mr. Speaker do not now leave the chair but that it be resolved that in the opinion of this house the headlong decontrol policy of the government has depressed the standard of living of the people, threatens the country with economic chaos, and is surrendering the future of Canada to profiteering and monopoly;
>
> And be it further resolved that in the opinion of this house the government should give immediate consideration to the introduction of a system of orderly and democratic controls so as to provide stable price levels and equitable price relationships in order to eliminate the injustices which now exist and to arrest the rapidly rising cost of living.

I have said that in the kind of economy in which we live, an economy still largely unaffected by the world trend toward social ownership, public controls may and will also involve the payment of subsidies. Again, subsidies involve quite comprehensive planning. Last August, for example, this house agreed that subsidies are desirable. It voted by a substantial majority, for example, for the continuation of the milk subsidy, a decision which the decontrol policy being followed forced the government to disobey. The wartime subsidy policy proved a beneficial phase of our economic planning. In a broadcast over the CBC network on November 8 of last year Mr. Donald Gordon, chairman of the wartime prices and trade board, said:

> The subsidy system under price control is aimed to keep down the cost of raw materials at the earliest stage of manufacture. This, in turn, prevents one rising price from feeding upwards to another, as it would otherwise do, because each manufacturer or wholesaler or retailer who handles the goods adds a percentage of the cost to him, as his profits.
>
> Consequently, the higher the price the higher the profit mark-up which is based on a percentage of cost and so the higher the final price to you. That is why the collective saving made by all you consumers far exceeds the amount of the subsidy which is, of course, paid by you collectively as taxpayers.

And a government official, as was mentioned in this house some time ago, stated that for every dollar spent on price control the Canadian consumer had saved at least $55. In commenting on that statement when it was brought to his attention, on February 21 the Minister of Finance (Mr. Abbott) said he did not vouch for the accuracy of the $55, but he could say he was sure the money spent on price controls had saved the Canadian con-

sumer substantial sums. Yet now the government and the minister are abandoning one control after another. Prices rise and the cost of living goes up. No wonder farmers are worried about their costs of production and farm prices and labour is anxious about current wage levels. Just a year ago the day before yesterday, March 18, 1946, gasoline prices were allowed to go up two cents a gallon. A month later, on April 15, farm machinery was permitted to advance by 12½ per cent. Both these increases were criticized by my hon. friends of the Progressive Conservative party and the Social Credit group as well as by ourselves. Yet they wanted then, as they want now, the speedy removal of all controls; and let me remind them that was before the spectacular increase in prices of farm products in the United States.

Then the budget removed the twenty-five per cent excise tax on a wide range of articles, but prices of those articles to the consumers, which included the excise tax, were not reduced by the amount of the tax then removed. Indeed, in an answer to a question I received from the government last Monday, I think it was, I was told that the recent increase of ten per cent in the prices of certain articles —and I asked particularly about refrigerators —had been allowed on top of the old prices, plus the twenty-five per cent increase allowed as a result of the removal of the excise tax. I think I heard someone say I am wrong. If that is so, the answer given me by the government a few days ago was also wrong.

Mr. ILSLEY: I was questioning the fact that there was a twenty-five per cent tax removed recently.

Mr. COLDWELL: In the last budget.

Mr. ILSLEY: I do not think so.

Mr. COLDWELL: Then perhaps it was the budget before that. Whenever it occurred, whenever it was removed, it was added on to the price. I will not argue as to when the twenty-five per cent excise tax was removed, but I say, when that was done, it remained in the price to the consumer, according to the answer I received a few days ago. We are told, of course, that price increases were made necessary by increased wages. Well, look at the reports of the bureau of statistics, a government agency. They do not bear out that statement. For example, one important price rise of $5 a ton was granted the steel industry before the men were forced by the increased cost of living to strike for a modest rise in wages.

The government policy in returning the control of the Canadian economy to those selfish interests who controlled it before the war is not in the interests of the Canadian people. I want to repeat that the C.C.F. believe that intelligent controls under the supervision of the elected representatives of the people, that is by this parliament—I had better narrow that down a bit and say by this House of Commons—are far better than controls exercised by private corporations.

Of course my hon. friends will immediately conjure up the bogey of bureaucracy. What do they mean? They will tell me that the so-called bureaucrats set up by the country have absolute and great power. The power they get is derived from this parliament; this parliament gave it and this parliament can take it away. Sometimes they quote the old saying that power corrupts and absolute power corrupts absolutely. I agree with that, but public servants are answerable to this parliament. They do not possess absolute power. Private corporations are answerable to none but their shareholders, and that is quite often ineffective.

Mr. HACKETT: And the law.

Mr. COLDWELL: "And the law," my hon. friend says, but what law? It is the law of the private economy in which we live. They do possess absolute power. Let me give an example. I shall give only one, but I could quote a number. The chemical industry which strengthened its position and power during the war has further strengthened itself since the war. It has obtained valuable public property from this country through the disposition of that property by War Assets Corporation. Everyone knows, or should know, that the chemical industry in Canada is effectively controlled by du Pont and Imperial Chemical Industries of the United Kingdom, groups which had close associations with the nazi-controlled I. G. Farbenindustrie before the war. A resolution of the du Pont executive committee passed in October, 1939, set out their policy on control. What was that resolution? It is on the public record, but I shall read it. It was as follows:

> Resolved, further, that the foreign relations department be advised it is the feeling of the executive committee that Canadian Industries Limited has no right to export any products embodying shareholders' inventions, except that during the present emergency Canadian Industries Limited may be permitted to supply Imperial Chemical Industries such goods for sale in the British empire at prices returning a satisfactory profit to Canadian Industries Limited.

That resolution was passed in the second month of the war when Canada and Great Britain were facing a desperate war situation. What about this kind of control of a Cana-

dian industry by a United States board of directors? What about the stipulation in that resolution that even in the extremity of war Canadian Industries Limited could sell only to the British company goods at only what they were pleased to term satisfactory profits?

Mr. MACDONNELL (Muskoka-Ontario): That was practically the same attitude taken by the C.C.F. at the time.

Mr. COLDWELL: It was the other way; we all voted for war.

Mr. MACDONNELL (Muskoka-Ontario): On a business basis.

Mr. COLDWELL: No, not on a business basis. I am not going to argue with my hon. friend whose friends on August 26, 1939, six days before war broke out, caused the government of this country to pass an order in council setting aside an act which this parliament had passed in June, 1939, stipulating that no contracts for the Department of National Defence could be let to give a profit of more than five per cent. The Minister of Munitions and Supply replied on September 12, 1939 to a question asked by the present premier of Saskatchewan, Hon. T. C. Douglas; he rose in his place and said that the order in council setting aside that act of parliament had been passed in spite of appeals to the patriotism of some of our manufacturers who refused to accept a single contract on the basis laid down by that legislation.

Mr. MACDONNELL (Muskoka-Ontario): Does the speaker want to have the record clear on the pure matter of patriotism, because that is apparently what he is talking about at the moment?

Mr. COLDWELL: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I should like to read a sentence from his own speech delivered on September 9, 1939, which I think makes it quite clear. I quote from page 63 of *Hansard* of that year—

Some hon. MEMBERS: Order.

Mr. COLDWELL: I am not objecting; the hon. gentleman has my consent to read what he wishes to read.

Mr. MACDONNELL (Muskoka-Ontario): I should like to read this one sentence. I am doing it simply because the question of patriotism has been dragged in. This is an extract from the spoken policy as read by the hon. member for Rosetown-Biggar. It winds up this way:

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

Mr. COLDWELL: That is right, limited to economic aid, but there is no stipulation as to profits.

An hon. MEMBER: What has that to do with it?

Mr. COLDWELL: Your friends refused to accept contracts unless the act of parliament limiting the profits was set aside. It is those same gentlemen who are today, trying to get rid of controls in order that they may put this country into the kind of mess we had before. I want to go on and say that Lammot du Pont, chairman of du Pont, wrote to Lord McGowan, chairman of Imperial Chemicals, stipulating that Canadian Industries must stay in Canada and not expand by exporting its products except upon terms satisfactory to du Pont and McGowan. That letter is also on the record.

Controls—yes, indeed, the campaign against public controls is in reality a smoke-screen behind which the Canadian economy can be handed over to powerful monopolistic interests. You say that chemicals are an exception. What of aluminum? What of steel? What of farm machinery? You will say that there are three firms manufacturing farm machinery and therefore there must be competition. I was a member of the agriculture committee which held an investigation in 1937 or 1938 into farm machinery prices. Read that report and you will find that the manufacturers charged the same price for the same type of machine. We found that prices were usually set after the most powerful company, the International Harvester Company, had published its prices.

What of the packing industry? Again you will say that there is competition. According to the price spreads report, two companies control some eighty-five per cent of the business with one company, Canada Packers, controlling some fifty per cent.

Yes; hon. gentlemen are opposed to controls that attempt to control the prices and profits of these corporations. They call corporation control, free enterprise. Whose enterprise? How free is it? No wonder that Canada is often said to be monopoly ridden and, be it noted, by foreign monopolies at that! Not that I think a native monopoly is any better for the people than a foreign one. We want to see the elimination of that kind of control. We want to see the elimination of speculative agencies in foodstuffs like the grain exchange. We want to see the marketing of wheat continued under a public agency. And I say, because we want to do these things, they involve both planning and control.

Now to secure a proper relationship between the price of the farmer's products and the things he must buy to produce them and live decently, we require a comprehensive system of planning. And so, Mr. Speaker, I have taken this opportunity, because I think it should be done in all honesty and fairness to ourselves and in fairness to the country, to place before this house in the plainest of plain terms exactly where we stand in regard to controls.

We believe that democracy must extend its own power; we believe that democracy must be made to function; we believe that this political democracy which we possess is valuable and must be safeguarded. The right to free speech, the right to think, the right to elect freely our representatives in our democratic institutions, the right to freedom in religion—these things must be safeguarded. But we shall never have full democracy until we have economic democracy, until the producer through his own cooperative effort, or through the effort of his elected representatives, in the legislation which they enact, is given an opportunity to control and enjoy with his fellow man and woman the products of their own cooperative toil.

Hon. C. G. POWER (Quebec South): Mr. Speaker, I should like to say only a few words with respect to this resolution and to voice my objection to the procedure which has been followed and to the method, the routine, of bringing this legislation before the house. I have neither the time nor have I the researches necessary to permit me to discuss this question of procedure from the constitutional point of view, or even from the point of view of the rules of the house. But from the point of view of custom and usage, I respectfully submit to the minister, and the ministry, that this is a most unprecedented resolution.

In the ordinary course, when it is proposed to ask parliament to appropriate money, resolutions are introduced asking for the appropriation of specific sums of money. The estimates, which are familiar to all of us, carry a list of some 600 or 700 items, and each one of those items is a resolution of this house. The sacrosanct formula used by the chairman of committees is something like this: "Resolved that a sum not exceeding"—let us say $3,000—"be voted for the construction of a wharf at"—such-and-such a place. So that all expenditures of money must be preceded by a resolution. And in the normal course of events these resolutions specify what the amount of money is to be.

This resolution before us, in the name of the Minister of Justice (Mr. Ilsley), states:

Resolved that it is expedient to introduce a measure—

"A measure".

—to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

The legislation which will be offered when this resolution passes will be offered, as I understand it, in the form of a schedule to the bill. This schedule, according to the minister's statement of yesterday, contains some fifty-seven pieces of legislation. As I understand it, by passing this resolution we are authorizing the ministry to spend unlimited sums of money on fifty-seven pieces of legislation.

And mark you, Mr. Speaker, those fifty-seven orders in council will form a body of legislation as great as that which is passed during the whole session of one parliament, or as great as that incorporated in the statutes of one session. We are asked to do this in the form of one bill.

As an aside, may I ask you, Mr. Speaker, and any member of the house: How will it be possible to discuss intelligently—and I am not talking about the particular bill—at one time, as is our duty as members of the house, fifty-seven bills, some of them more important and carrying the implication of new principles, new ideas and new thoughts such as we have never had introduced in this house before; some of them good, some of them bad, some of them indifferent, some of them unimportant, and some of them awful.

Mr. ILSLEY: May I ask a question? Is the hon. member aware that exactly this course was followed in the British parliament and the Australian parliament?

Mr. POWER: I have been hearing so much about following the British parliament. I am glad the minister gives me an opportunity of saying what I have been wanting to say for about ten years. During the last war, every time this side of the house or the government of the day did something, somebody rose on the other side of the house and said the British did not do it in that way. I am fed up with knowing what way the British do it, or do not do it, and I am not taking an example in administration from the present British government, even though I would have voted for the Labour party had I been in England.

I do not care what the British government did; I do not care what the Australian government did. I think we are here to legislate for Canada. We are to legislate according to principles which we have adopted. We have been a parliament here since 1867, and I do not know why we should slavishly follow the rules of any other parliament. I believe there is more free democracy yet in this country than there is in any other country on earth, not excepting England. And whether it be here or in Great Britain or in Australia, the representatives of the people sent here by the people to represent them and to discuss legislation have a duty to perform.

I contend; I assert, without fear of contradiction, that in this mass of legislation which is to be thrown at members of parliament it will be impossible to have intelligent discussion or intelligent debate on the issues that are before the house.

But to return to the question of the resolution and the financial involvement, can anybody tell me that it will be possible, or that there is the slightest chance of members of the House of Commons who are here to see that expenditure of the people's money is carried on in an orderly fashion being able to perform their duty with respect to expenditures, under the terms of this resolution? This resolution carries with it the acceptance by this house, in advance, of any expenditure under such things as the wartime prices and trade board regulations. Probably they are not very important; I do not know; I do not think anybody knows; I do not think the minister knows. It carries with it such things as this, the Commodity Prices Stabilization Corporation Incorporated. This will become law when the bill is passed. It provides for the setting up of a company, and that company may purchase or otherwise acquire, sell or otherwise dispose of stores, transport, process or otherwise deal in or deal in any goods, wares or merchandise. There is no limit. This Commodity Prices Stabilization Company can buy any goods, anything in this country, and we give them a blank cheque to do it.

We are setting up a crown company to be known as the Canadian Sugar Stabilization Company. I do not know how much money is involved in that or what the chances are of making a gain or a loss, but there are large sums involved, and so on all through the piece. Not one of these measures but at least merits, both from the financial point of view and from the point of view of principle, the most careful consideration of this house and at least some knowledge by hon. members of the amounts of money which might possibly be involved.

To return to the matters involved in the bill, I come to the question of controls. I am not prepared to say that I am opposed to all controls, nor am I in favour of all controls. I think it would be most unfair for any hon. member to say that those who oppose this resolution oppose controls as such. I would be quite willing to vote for any of the controls that we have at the present time. Like the hon. member for Rosetown-Biggar (Mr. Coldwell), I too have some objection to the so-called free enterprise controlled by private industry, but I will not go as far as he does and have the totalitarian system of control which he would like. I believe it is possible for hon. members, it is possible for the people of Canada, to devise some means whereby we shall not take on the pattern of the totalitarian fascist controls as they exist in some countries in Europe, whereby we shall not return to the old system of control by private interests to the detriment of the common people.

Mr. MacINNIS: That is what we are waiting for.

Mr. POWER: I know we are waiting for it and I think thousands of people are struggling to attain it. I do not know that they have attained it as yet, but I am not prepared even today to take on holus-bolus, because the members of the government have not thought it out or because we have not been able to evolve a system, to admit that there is no middle course and that there is no means of having controls controlled by parliament.

I object to bureaucratic controls by people outside parliament. I have less objection—and in that I do not share the opinion of the hon. member for Lake Centre (Mr. Diefenbaker)—and we are almost forced to the conclusion, in order to do away with bureaucratic control, to give more controls to the ministers of the crown and to the members of the administration. If I am to be kicked around I want to be kicked around by someone I can see and hear and kick back and not by someone surrounded by a steel or iron curtain in some office of the government whom I never see. I say that, Mr. Speaker, without in any way wishing to criticize any of the existing controllers or those of the past. The few times when, at the request of my constituents, I had business with the controllers I had the fairest

and most courteous treatment, and that applies to Donald Gordon as well as to all the others.

I could, I suppose, except that it is pretty late and it may not be fair, quote a precedent with respect to bills of this kind. In my recollection there was only one piece of legislation like it, namely, that introduced by Mr. Bennett in 1931 and 1932. To that piece of legislation men now sitting on this side of the house took strenuous objection. It is within the memory of many of us sitting here that we objected to the first reading of the resolution, right up to the closing. At that time there was presented to us a bill called "unemployment and farm relief." The objection taken by the members of the opposition of that day was that the two things, unemployment and farm relief should not be provided for in the same resolution. I wonder whether we ever thought then that some day we ourselves would be bringing in a bill with fifty-seven different varieties of legislation.

I shall not quote the arguments used by the members of the opposition of that day; but I think if anyone will look over them they will find that if there was one thing that the opposition asked for it was that the resolution mention the specific amounts of money that were to be expended on each of these subjects. It was a blank cheque and members of the opposition objected strenuously to any legislation involving a blank cheque. I submit to you, Mr. Speaker, that this is a blank cheque which involves more important considerations than any blank cheque has ever been given in this country.

I would appeal to the minister once more to try to break down this legislation into its component parts. It would be possible to do that. In looking it over, I find the civil service commission mentioned. There are five orders in council all dealing with preference to returned soldiers. That has no place in this kind of legislation. One of the orders in council is simply an order providing that the people who served in the war of 1939-1945 should have the same preference with regard to civil service positions as those who served in the war of 1914-1918. Why introduce that in such an extraordinary piece of legislation as this? We may question the conditions with respect to time, with respect to age and in any other respect under which these positions and this preference will be made available to all veterans, but I have never heard in this house or outside it anyone questioning the fact that the veterans of the last war should have the same preference with regard to the civil service as the veterans of the first war. I submit that there is no necessity for bringing in this sort of legislation in a resolution which involves—

Mr. MACKENZIE: They would lose the preference without this resolution.

Mr. POWER: I hear my hon. friend the Minister of Justice (Mr. Ilsley) whispering to my hon. friend the Minister of Veterans Affairs (Mr. Mackenzie) that he is having a committee and bringing in a bill. Let him bring in a bill; he has until May 15. But do not let him load down legislation and make it an affront to parliament, as this thing is, giving us something that we cannot possibly study and discuss. The people of Canada will not understand what the whole argument is about.

There are a dozen other things in this. There is the pelagic sealing treaty. I do not know anything about it, but I do not think it has its place in a piece of legislation dealing with the wartime prices and trade board, or dealing with the stabilization fund or dealing with the control of sugar, lumber and steel. There are other matters dealing with compensation for merchant seamen, and there are, I understand, certain endeavours to wind up the war service gratuity.

All these things could be dealt with in their place and passed by this house in five minutes, but I object to these almost innocuous and certainly easily explained pieces of legislation being thrown in with pieces of legislation on the principles of which the people of this country and the members of this parliament are not agreed.

My last objection is that, by passing this resolution and bringing in the bill, in the shape in which it will be brought in, we are creating an extremely dangerous precedent. We are preparing the way for the time when any government or a government which will not have the same respect for ancient constitutional usages and practices will be in power in this country, and when they come in they will have ready-made at their hand such legislation as will enable them at once to put into effect their theories and the practice in which they believe.

I have said before and said many a time that I have no objection to a great many of their theories. I would like to see many of them put into practice if they could do away with the regimentation that goes with them. But I certainly do not want to be a member of a party which will prepare the way and make it easier for them when they do come into power to carry out what I believe to be

false principles in a democracy. In other words, I do not want to be a St. John the Baptist for a socialist messiah.

Mr. SPEAKER: Having considered the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), I should like to call his attention to standing order 50:

A motion to refer a bill, resolution or any question to the committee of the whole, or any standing or special committee shall preclude all amendment of the main question.

I have therefore to declare the amendment out of order.

Mr. COLDWELL: May I ask you, Mr. Speaker, to read that standing order 50 carefully.

When is the resolution to be referred to the committee of the whole? Not until after second reading. The motion to refer has not been made and I contend that this amendment to the resolution is therefore not covered by standing order 50 and is therefore in order.

Mr. SPEAKER: I am sorry, but I must read the standing order again. There is no doubt in my mind:

A motion to refer a bill, resolution or any question to the committee of the whole, or any standing or special committee shall preclude all amendment of the main question.

I therefore declare the amendment out of order.

Mr. COLDWELL: I am going respectfully to challenge your ruling, Mr. Speaker.

Mr. ILSLEY: Is this not really and factually a motion to refer this resolution to the committee? The motion is that the Speaker do now leave the chair so that the house may consider this resolution. This is the motion to refer the resolution to the committee.

Mr. COLDWELL: The motion is to leave the chair.

Mr. MACKENZIE: For the purpose of resolving into committee of the whole.

Mr. COLDWELL: The motion that the Speaker do now leave the chair—

Mr. MACKENZIE: For the purpose of resolving into committee of the whole.

Mr. COLDWELL: —is always subject to amendment.

Mr. MACKENZIE: I may be out of order, Mr. Speaker, but I think it is crystal clear. The motion moved by the minister was that Mr. Speaker leave the chair so that we should resolve ourselves into committee to discuss this resolution—

Mr. KNOWLES: It was not the motion to refer.

[Mr. Power.]

Mr. MACKENZIE: —and now we have an amendment that Mr. Speaker do not now leave the chair, which is a complete abrogation of the main question and a complete refutation of the essential features of standing order 50.

Mr. SPEAKER: As the hon. member knows, the Speaker's ruling is not debatable and I must repeat that, having considered carefully the amendment moved by the hon. member for Rosetown-Biggar, and having consulted not only Beauchesne but Bourinot and others, I have come to the conclusion that the amendment is out of order.

Mr. COLDWELL: I am sorry, Mr. Speaker, but we, too, considered carefully what the implications of the amendment would be before we made it and we are still of the opinion that it is in order. I must therefore appeal your ruling.

Mr. BRACKEN: Mr. Speaker, in view of the fact that your ruling has been challenged, may I ask that you read to the house the motion made by the Minister of Justice? I do not know whether the form of the motion was read or not, but let us know what we have before us and then, having motion and amendment, we may be in a better position to judge as to the merits of your decision.

Mr. SPEAKER: I do not think I should establish a precedent by letting the house discuss the ruling which has been made, but the motion before the house is that the Speaker leave the chair on the following resolution:

Resolved, that it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency . . .

And so on; and the hon. member for Rosetown-Biggar moved as an amendment:

That Mr. Speaker do not now leave the chair but that it be resolved that in the opinion of this house the headlong decontrol policy of the government has depressed the standard of living of the people, threatens the country with economic chaos, and is surrendering the future of Canada to profiteering and monopoly;

And be it further resolved that in the opinion of this house the government should give immediate consideration to the introduction of a system of orderly and democratic controls so as to provide stable price levels and equitable price relationships in order to eliminate the injustices which now exist and to arrest the rapidly rising cost of living.

According to standing order 50, a motion to refer a bill, resolution or any question to the committee of the whole, or any standing or special committee shall preclude all amendment of the main question.

Mr. MacINNIS: Mr. Speaker, I was going to rise before—

Mr. SPEAKER: I am sorry to interrupt the hon. member, but he knows that Speaker's rulings are not debatable. I read the motion because the leader of the opposition had requested it.

Mr. COLDWELL: Then I must challenge the ruling; that is all.

Mr. SPEAKER: Those in favour of sustaining the Speaker's ruling will please say "yea".

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those against will please say "nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "yeas" have it. Call in the members.

Mr. SPEAKER put the question as follows:

The question before the house is an appeal from the Speaker's ruling. Mr. Ilsley moved, seconded by Mr. Mackenzie, the following motion:

That the Speaker do now leave the chair for the house to resolve itself into committee of the whole to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the Act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

Mr. Coldwell moved, seconded by Mr. MacInnis, in amendment:

That Mr. Speaker do not now leave the chair but that it be resolved that in the opinion of this house the headlong decontrol policy of the government has depressed the standard of living of the people, threatens the country with economic chaos, and is surrendering the future of Canada to profiteering and monopoly.

And be it further resolved that in the opinion of this house the government should give immediate consideration to the introduction of a system of orderly and democratic controls so as to provide stable price levels and equitable price relationships in order to eliminate the injustices which now exist and to arrest the rapidly rising cost of living.

I declared the amendment out of order, and I based my ruling on standing order 50, which reads as follows:

A motion to refer a bill, resolution or any other question to the committee of the whole, or any standing or special committee shall preclude all amendment of the main question.

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

YEAS

Messrs:

Abbott
Arsenault
Ashby
Aylesworth
Baker
Barrett
Beaudoin
Belzile
Benidickson
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Blanchette
Boivin
Bonnier
Bourget
Bracken
Bradette
Bradshaw
Breithaupt
Bridges
Brooks
Brown
Brunelle
Cardiff
Case
Casselman
Charlton
Chevrier
Church
Claxton
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Coyle
Cruickshank
Dechene
Denis
Desmond
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Emmerson
Eudes
Fair
Ferguson
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser
Fulton
Gagnon
Gardiner
Gariépy
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Green
Hackett
Hamel
Harris (Grey-Bruce)
Hazen
Healy
Héon
Hlynka
Hodgson
Ilsley
Isnor
Jackman
Jean
Johnston
Jutras
Kidd
Kuhl
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Leger
Lennard
Lesage
Low
McCann
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
Macdonnell (Muskoka-Ontario)
McGarry
McGregor
McIlraith
McIvor
Mackenzie
MacKinnon
MacLean
McLure
McMaster
MacNaught
MacNicol
Marier
Marquis
Marshall
Martin
Matthews (Brandon)
Maybank
Menary
Merritt
Michaud
Miller
Mitchell
Mullins
Mutch
Nixon

Pearkes	Sinnott
Pouliot	Skey
Power	Stuart (Charlotte)
Quelch	Timmins
Raymond (Wright)	Tremblay
Reid	Tucker
Richard (Gloucester)	Tustin
Richard (Ottawa East)	Viau
Ross (Hamilton East)	Warren
Ross (St. Paul's)	Webb
Ross (Souris)	Weir
Rowe	White (Middlesex East)
St. Laurent	Whitman
Senn	Winkler
Sinclair (Ontario)	Winters—156.

NAYS

Messrs:

Archibald	McCullough (Assiniboia)
Bentley	MacInnis
Bowerman	McKay
Bryce	Matthews (Kootenay East)
Burton	Nicholson
Campbell	Probe
Castleden	Stewart (Winnipeg North)
Coldwell	Strum, Mrs.
Hansell	Townley-Smith
Herridge	Wright
Irvine	Zaplitny—26.
Jaenicke	
Knight	
Knowles	
McCuaig	

On motion of Mr. Hansell the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 11.05 p.m.

Friday, March 21, 1947

The house met at three o'clock.

VETERANS AFFAIRS

HOUSING UNDER VETERANS LAND ACT—REPORTS TABLED—DRAINAGE, REPAIRS AND ADJUSTMENTS

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, I have a brief statement to make which deals partly with government policy and partly with factual observations in connection with certain reports which I shall ask the permission of the house to table.

I wish to table the report on Veterans Land Act housing presented by Colonel C. E. Parish following an inspection which he carried out under authority of P.C. 76 of January 9, 1947; also separate reports by the deputy minister of the department and the director of the Veterans Land Act. These three gentlemen together made an inspection of a majority of the subdivision projects upon which houses were built by contract under the Veterans Land Act all across Canada.

[Mr. Speaker.]

Attached to the deputy minister's report is an additional report made by a British Columbia committee into the Braefoot project near Victoria. The decision to have this inquiry into the Braefoot project was made prior to the appointment of the committee of dominion-wide jurisdiction.

Hon. members will I think find in the reports information bearing out the statement which I gave the house the other day. There are defects, but as I previously stated all these defects can be corrected, and I have already given the house my assurance that the work will be done without cost to the veteran.

Hon. members will I believe readily understand the reasons why these houses, erected under conditions of the greatest urgency, now require minor repairs. The accomplishment in housing 2,600 veterans' families who otherwise would be living under conditions which cannot make for a proper home life in my opinion far outweighs any weaknesses which have been shown in this construction programme. The fact is that the department completed in one year 2,600 homes under the most difficult building conditions which this country has ever experienced. How outstanding was this achievement is best evidenced by the fact that in Canada today thousands of houses that have been under construction for months are still far from completion owing to lack of materials and the scarcity of the right type of labour.

Contrasting with the achievement of my department in pushing these 2,600 homes through to completion is the fact that in 1946—and this is very important—private contractors embarked on 1,750 contracts for veterans under the Veterans Land Act. During the year they were able to complete only 224 of these.

My deputy minister has reported to me—and I am sure hon. members will be glad to hear this—the reception which he and other members of the investigating body met with in the homes they visited. Almost one hundred per cent of the wives and mothers were delighted with the accommodation provided.

Hon. members will be gratified to learn that every member of the inspection committee agrees that the houses on today's market represent—this is very important too; it is in the findings—fair value to the veterans. Colonel C. E. Parish, for instance, states specifically that it would be impossible for the veteran to find housing of equal value for the price he is now paying. Colonel Parish is an outstanding engineer of wide experience in house building. He is also a member of the

Canadian Legion advisory committee on housing. Colonel Parish has made a detailed analysis of the defects, a close and I think very fair analysis. That is what was asked for, and I can think of nobody in Canada better qualified to make such a report.

I should like to summarize Colonel Parish's recommendations. They are as follows:

1. That the drainage problem be carefully studied and efficient drainage schemes provided without cost to the purchaser.

2. That where sewage disposal is inefficient, correction be made by installation of new disposal fields or by connection to municipal sewerage systems.

3. That structural defects be put into first class condition as quickly as possible, and that, where necessary, competent superintendents be retained to carry out this work efficiently.

4. That the temporary softwood floors laid when hardwood flooring was unobtainable be replaced by suitable hardwood flooring when available.

5. That no overall reduction in the selling price be made, but that the present policy of writing off costs owing to unusual conditions on a particular project be continued.

The deputy minister in his report recommends that an experienced drainage engineer, or engineers, be retained to supervise the carrying out of the recommendations in this regard. This will be done; in fact all necessary work and repairs will be closely supervised by officers of my department. In this connection I must point out that comprehensive action with regard to drainage cannot be undertaken until the frost is out of the ground.

While Colonel Parish and the deputy minister have hesitated somewhat to estimate the cost of the alterations, very largely because they consist of a multiplicity of detail, the director of the Veterans Land Act has recommended that an additional $500,000 be added to the million dollar fund set up a year ago for the purpose of writing off excessive costs where such were found. These recommendations as announced will be carried out.

I direct attention also to the findings of all three members of the committee that the costs encountered are reasonable and not out out of line with today's market and that Colonel Parish specifically recommends against any overall reduction in the selling prices.

In addition to the reports which I am now tabling, all three members of the committee brought back with them many field notes of observations made. These are, in cases, quite bulky and extensive as referred to in the report of the deputy minister, Mr. Woods. These detailed notes will be of invaluable assistance as a guide to those who undertake the work which remains to be done and will be useful in supplying as far as possible further information that may be desired through questioning.

Once again, with the support of my colleagues, I wish to assure the house that the work recommended by this committee will be carried out as expeditiously as possible and with the firm purpose of ensuring that the veterans who purchase these houses shall come into possession of permanent houses of which they can be justly proud.

Mr. BROOKS: Mr. Speaker, considering the latitude which has been given to the minister in explaining this matter I should like to ask him a question. Has this investigation been carried on only in the houses which have been represented to the department as being faulty, or has there been a general inspection of all houses built under the veterans' department across Canada?

Mr. MACKENZIE: There has not been a general inspection of all veterans' houses. We received complaints from various specific areas, and these were the first to be attended to. In other places we have received representations from the Legion or other returned soldiers' organizations, and we cooperate with them as far as possible in making investigations.

Mr. BROOKS: I may say to the minister that the complaints he has received are in no way representative of all the complaints there are in Canada with regard to these houses. He has presented very strongly here this afternoon the case for his department. That there has been this widespread dissatisfaction in all parts of Canada with regard to the construction of these houses would indicate that there are far more complaints than the minister has represented to us this afternoon.

There is another point. The minister has said that the repairs are to be made without any cost to the veteran. Naturally we would expect that, because the veteran is in no way responsible for the faulty construction of these houses. But as was mentioned some time ago, I do not see why the public in general should have to pay the costs of the faulty construction which has been carried on under the department of the Minister of Veterans Affairs. It seems to me this is a case which should be—

Some hon. MEMBERS: Order.

Mr. BROOKS: Mr. Speaker, I claim the same right as the minister—

Mr. SPEAKER: Order. I would ask hon. members to moderate their voices and listen to the speaker. I have called the hon. gentleman to order. I would remind the hon. member that for many years it has been the practice to allow ministers to make statements at this stage of the sitting. Hon. members know that that has been the practice and that these statements are not debatable. It has also been the practice to permit hon. members to ask the minister a few questions, but under the rules I could not permit a debate.

Mr. GRAYDON: The hon. member is just about through with his statement, Mr. Speaker.

Mr. BROOKS: I have practically completed my remarks. I thought that since the minister had made such a splendid case for his department it might be well if a few more facts were presented to the house. He spoke about these houses being so well—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I think the hon. member will admit that I have given him sufficient time to conclude his remarks.

Mr. BROOKS: There will be an opportunity later.

Mr. ROSS (St. Paul's): May I ask you a question, Mr. Speaker? Under what rule of the house—

Mr. SPEAKER: Order. I would call the hon. member's attention to the fact that the Speaker should not be questioned from the floor of the house.

Mr. ROSS (St. Paul's): Just one question. I have protested before about ministers making statements in the House of Commons without an opportunity for debate being afforded to hon. members.

Mr. CHEVRIER: There is plenty of opportunity for debate.

Mr. SPEAKER: I will not permit hon. members to start a discussion on what I have said. It has been the long established practice of the house to permit ministers to make statements at this stage of the sitting, and they are not debatable.

Mr. ROSS (St. Paul's): We have rules in the House of Commons. Because the practice has grown up does it make it a rule of the house that a minister can make a statement without an opportunity for debate—

Mr. SPEAKER: Order. I want order and discipline in the house. I do not like hon. members rising in their places and questioning the Speaker and discussing, I will not say his ruling, but a statement he makes calling the attention of hon. members to the practice of the house. I do not think the hon. member is contributing to the order and discipline of the house by discussing the rules. I should like the house to proceed with its business.

Mr. ROSS (Souris): May I ask the minister a question with regard to the Boucherville project, on which I think there was a charge of more than faulty construction? Will there be a report made on that project?

Mr. MACKENZIE: Yes. It is still partly under the jurisdiction of the courts. Certainly there will be a report.

Mr. MILLER: May I ask the Minister of Veterans Affairs a question with regard to the Charleswood project? I understand that notices were sent intimating that the occupants of these houses must sign a contract to purchase or agree to rent or vacate by May 1. Is the minister prepared to make a statement on the question?

Mr. MACKENZIE: My recollection is that there is no mention of any specific project in the three general reports. Any question which my hon. friend wishes to have answered with respect to any particular project I shall be glad to answer to the best of my ability.

Mr. FULTON: May I ask a question arising out of the minister's statement? He said that the deputy minister recommended that there be an additional $500,000 voted for the purpose of equalizing costs. Will this $500,000 be used to defray the extra expenses incurred by reason of the repairs which the department is to undertake, or will it be used to reduce existing costs where they are now excessive?

Mr. MACKENZIE: My understanding was that with the concurrence of my colleagues I was authorized to state in the house some time ago that $500,0000 would be available to meet the conditions which had been brought to light. There is still unexpended, of the million dollars for write-offs, the sum of $322,000, part of which may be used for purposes of repairs caused by unusual conditions.

Mr. FULTON: I wish to get this clear. Does that mean that there is a fund of $800,000 odd available for these repairs?

Mr. MACKENZIE: I cannot be specific on that point right now, but the guarantee I received was that $500,000 would be available for the immediate task, leaving $200,000 available from the vote of last year.

DISPLACEMENT OF VETERANS BY PERSONS WITHOUT OVERSEAS PREFERENCE

On the orders of the day:

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Yesterday the member for Assiniboia (Mr. McCullough) asked the following question, at page 1550 of *Hansard*:

I should like to ask a question of the Minister of Veterans Affairs. Are veterans employed by the Department of Veterans Affairs being let out while others with no overseas veterans preference are being maintained on the staff? If so, what is the exact policy of the government in this regard?

I took the matter up with the department and have received the following answer:

With reference to the attached question by Mr. McCullough as to whether veterans in the employ of the department are being released whilst other persons with no veterans' preference are being retained, I have no hesitation in stating that this is incorrect.

The only reservation with this statement is with respect to stenographic staff, and in this regard I wish to state that any male stenographers with overseas service will be immediately employed by this department.

With respect to the department's policy in releasing staff, this is based on a directive issued by the civil service commission, circular letter 1945-12 of October 2, 1945, which states:

"The temporary employees selected for release should, in general, be chosen in the following order:

(a) Persons whose services are not fully satisfactory.

(b) Persons who are ready to accept retirement.

(c) Casual part-time employees.

(d) Persons above the normal retirement age.

(e) Married women not dependent upon themselves for support.

(f) Employees not entitled to preference for war service, et cetera, et cetera."

Our procedure in releasing staff is to have all our staff rated by a rating board comprising our senior officials in the district. We have brought into Ottawa for a course of training senior officials from all districts to instruct them in the procedure of rating employees.

If an employee is dissatisfied with his rating, he may appeal to the district administrator, who forwards his recommendation to head office. The overseas preference is observed in every case and I would welcome a statement of the particulars of a veteran who is being released while a person with no overseas preference is being retained.

Our staff now numbers over 20,000. We regret to have to reduce to the extent of 2,000 in the near future.

That is, a deduction of two thousand.

It is impossible for us to deal with the merits of each individual case in Ottawa and we have, therefore, been compelled to decentralize this work under the jurisdiction of our district administrators, but we have laid down principles based on the civil service directive and our own experience to govern our district administrators in this unpleasant task of staff reduction.

If my hon. friend knows of any cases I shall be glad to have him inform me.

Mrs. STRUM: May I ask the minister whether the directive from the civil service commission which he has just read applies equally to male and female employees of the government, or is there any discrimination between the sexes?

Mr. MACKENZIE: I was dealing only with those who had seen service, where a preference existed. I understood that the question was based upon that principle.

Mr. KNOWLES: You said male stenographers with overseas service.

Mrs. STRUM: I have received many letters from girls who are being let out because of their sex.

Mr. MACKENZIE: Not in this department.

EMPLOYMENT OF VETERANS ON NATIONAL DEFENCE RECORDS

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): I wish to direct a question to the Minister of Veterans Affairs arising out of the reply which he has just given. In view of the apparent surplus of personnel in his department with overseas service, will his department give consideration to taking over the records from the Department of National Defence in order that those ex-service personnel may be employed in maintaining the records, which is obviously a Department of Veterans Affairs job rather than one for the Department of National Defence?

Mr. MACKENZIE: I shall be very glad to discuss the whole situation with my colleague the Minister of National Defence.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the first reading of Bill No. 26 (from the senate), respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

CANADA EVIDENCE ACT

PROOF OF TREATIES BY PRODUCTION OF "CANADA GAZETTE"

Right Hon. J. L. ILSLEY (Minister of Justice) moved the first reading of Bill No. 27 (from the senate), to amend the Canada Evidence Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 28, for the relief of Charles Gordon Nelson.—Mr. Maybank.

Bill No. 29, for the relief of Pamela Mackay Alderdice Johnstone.—Mr. Maybank.

Bill No. 30, for the relief of Lilly Evans Auty.—Mr. Maybank.

Bill No. 31, for the relief of Esther Lancit Weiss.—Mr. Maybank.

Bill No. 32, for the relief of Bruce Montgomery Cooper.—Mr. Maybank.

Bill No. 33, for the relief of Marion Naomi Gomery McGee.—Mr. Maybank.

Bill No. 34, for the relief of Margaret Hazel Reid Koppel.—Mr. Maybank.

Bill No. 35, for the relief of James Alexander King.—Mr. Maybank.

Bill No. 36, for the relief of Proctor Clifford Neil.—Mr. Maybank.

Bill No. 37, for the relief of Elizabeth Anne Eden Lindsay.—Mr. Maybank.

Bill No. 38, for the relief of Ernest Edward Joslin.—Mr. Maybank.

Bill No. 39, for the relief of Jessie Alberta Allan Derby.—Mr. Maybank.

Bill No. 40, for the relief of Dorothy May Duff Hisey.—Mr. Maybank.

Bill No. 41, for the relief of Elizabeth McIntosh Barber.—Mr. Maybank.

Bill No. 42, for the relief of Muriel Lucy Brighten Burdon.—Mr. Maybank.

Bill No. 43, for the relief of Constance Mae Ponman Newman.—Mr. Maybank.

Bill No. 44, for the relief of Florence Alice Mapston Calcutt Doak.—Mr. Maybank.

Bill No. 45, for the relief of Rose Housefield Blumstein.—Mr. Maybank.

Bill No. 46, for the relief of Gertrude Loiseau Gaulin.—Mr. Maybank.

Bill No. 47, for the relief of Marie Rose Alba Bernadette Lapointe dit Robin Ricard.—Mr. Maybank.

Bill No. 48, for the relief of Thelma Genender Lefkowitz.—Mr. Maybank.

Bill No. 49, for the relief of Mary Joyce Joly Clark.—Mr. Casselman.

Bill No. 50, for the relief of Gertrude Helen Cayford Collins.—Mr. Maybank.

Bill No. 51, for the relief of Francis George Isaac Fellows.—Mr. Maybank.

Bill No. 52, for the relief of Elly Maria Charlotte Alden McBride.—Mr. Maybank.

Bill No. 53 for the relief of Gladys Elizabeth Thompson Dorrance.—Mr. Maybank.

Bill No. 54, for the relief of Una Kathleen Balmfirth Little.—Mr. Maybank.

Bill No. 55, for the relief of William Walter Woodall.—Mr. Maybank.

[Mr. Ilsley.]

Bill No. 56, for the relief of Helen Lilian Jaques Bowen.—Mr. Maybank.

Bill No. 57, for the relief of Doreen Jeanette Sibley Tirbutt.—Mr. Maybank.

Bill No. 58, for the relief of Ida Norma Thompson Thornton.—Mr. Maybank.

IMMIGRATION

PRESS REPORT OF STATEMENT OF CANDIDATE IN CARTIER BY-ELECTION

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I have a question which I desire to direct to the Minister of Mines and Resources. I intended to direct it to the Prime Minister, but he is unable to be here today. It is urgent and I do not want to leave it until he returns. A Canadian Press dispatch was handed me just before I came into the house. It indicates an urgent situation to which I think the government ought to give consideration. Under date March 21, from Montreal, there comes this report:

> The dominion government will announce within the next few days an immigration policy whose "greatness will astound the country" Maurice Hartt, Liberal candidate in the Montreal-Cartier federal by-election said last night. . . . He said he knew of the details of the new policy, having contributed to its drafting, but that Prime Minister Mackenzie King would make the announcement.

Mr. SPEAKER: Order. The hon. member knows the rules. The purpose of a question is not to give information to the house but to get information.

Mr. GRAYDON: There is little information in that. The information I hope to get will come from the minister. I should like to get this information along the lines you suggest, Mr. Speaker. First, was that statement made with governmental authority, and second—

Mr. CLAXTON: First of all, was it made?

Mr. GRAYDON: The Canadian Press dispatch indicates that it was made. First of all, if the dispatch is correct, was that statement made with governmental authority? Second, why should the House of Commons not be the first to hear of a statement of government policy before even a candidate who said he knew all the details of the policy should be given that information? I should like an answer to that question.

Hon. J. A. GLEN (Minister of Mines and Resources): The hon. gentleman did not send me any notice of this question, and it is one which I think ought to be placed on

the order paper. I have had no communication with the gentleman who made that statement. I have heard indirectly that the statement as reported is wholly incorrect.

INQUIRY OF THE MINISTRY

REFERENCE TO PRESS REPORT ON ROCKET OUTPOSTS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to ask a question similar to the one asked by the hon. member for Peel. It is an emergency matter, and one about which nothing has been said by the military experts on the other side. It arises out of a press report, the headline of which reads, "Forecast race to establish rocket outposts on mars". I should like to ask the Minister of National Defence if we are taking any steps.

Hon. BROOKE CLAXTON (Minister of National Defence): May I say to my hon. friend that free transportation will be provided to hon. members for that purpose during the Easter recess.

LABOUR CONDITIONS

OTTAWA CAR AND AIRCRAFT PLANT

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Labour. In view of the developments today at Ottawa Car and Aircraft—including, I am told, the use of police—will the minister indicate what progress his department has made in getting this dispute settled?

Hon. HUMPHREY MITCHELL (Minister of Labour): I am not a policeman. That is the answer to the first part of the question. In reply to the second, my understanding is that the dispute is being handled by the Department of Labour of Ontario.

WAR SAVINGS CERTIFICATES

QUESTION AS TO PAYMENT BY CHARTERED BANKS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): On March 4 the Minister of Finance said he would let us know later whether war savings certificates when due would be cashed by the chartered banks. Did he get that information?

Hon. DOUGLAS ABBOTT (Minister of Finance): I have no further information on that matter.

AIR SERVICES

CARBERRY, MAN., AIRPORT

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of National Defence, based on a telegram from Carberry, Manitoba, which I received just before coming into the house. Has a final decision been reached as to the use to be made of the airport at Carberry? Are the advantages of that airport being given full consideration?

Mr. SPEAKER: May I say to the hon. member that I do not see the urgency of his question, and I would ask him to place it on the order paper.

UNITED NATIONS

GERMAN AND AUSTRIAN PEACE TREATIES—CANADIAN PARTICIPATION

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask the Secretary of State for External Affairs a question of which I have given him notice. Will he give to the house such late news and information as he may have with respect to the progress we are making in getting full participation at the Moscow conference on the German and Austrian peace treaties?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): All I would care to say is that Canada's ambassador to Russia, Mr. Dana Wilgress, is in Moscow. He is in daily communication with those attending the conference of the foreign ministers and the deputies of the foreign ministers, and progress is being made. There is still reason to expect that the big powers will realize that the others will have to be associated with them in preparing the final peace treaties.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS

Right Hon. J. G. GARDINER (Minister of Agriculture) moved the third reading of Bill No. 25, to provide for the sale and export of agricultural products.

Mr. T. L. CHURCH (Broadview): I have not spoken on Bill No. 25, and had not intended to do so, but I want to refer to one matter contained in it.

Mr. SPEAKER: Order. I would ask hon. members to moderate their voices. I can understand that they are very happy because it is the first day of spring, but they should not forget that our rules do not melt away with the snow.

Mr. CHURCH: I wish to call the minister's attention to one fact about this bill. We are now to reestablish this sort of control system under one minister instead of a bureaucratic control system. I object to that in the first place. In the second place, we voted a considerable sum of money in exports in the first war, between the wars and after this last war, to certain countries. I would like the minister to say where the countries are to which we can send these exports. As you know, this bill does not deal with wheat, but it does deal with all other kinds of food and feedstuffs. It has been said that Canada lives by her export trade, and that is especially true of her exports of food and feedstuffs. Away back in 1938, before the war started but when I could see what was coming, I wanted the minister to establish reservoirs of food and many other products in the mother country, but that suggestion was not acted upon. At that time we had a preference in the British market, and under that preference we shipped a million bushels of pears and apples from the maritime provinces. During the debate on this bill an amendment was moved to substitute the word "fruit" for "apples" and "pears", but that amendment was not accepted.

As I say, I would like the minister to tell us what countries we can send these exports to and get paid for them. If anyone thinks we are going to be allowed into the United States market with food or feedstuffs for any substantial length of time, I am afraid they are going to be disappointed. As I said during the previous debate, the only things they will take from us will be the raw materials from which to manufacture the finished products they want to export. We spent many days in another debate on control in this house getting out from under hundreds of thousands of orders in council and controls. Now we are going to create a vast new de luxe system of controls under one minister. I can tell you that it is not the part of responsible government to adopt this practice at the present time, with the overtaxation and over-government we have in this country today. Under this bill the minister will have absolute control in his own hands. It is true that some provincial boards may be called in once in a while, but the control will be with the minister and the governor in council. It was stated by a former prime minister on another occasion that actually the governor in council meant the minister. That is quite true, because the minister must make the recommendation to council, and that recommendation is acted upon.

The kind of control contemplated under this bill will involve the livelihood of every man, woman and child in this country to a greater or less degree. These matters are being removed from the jurisdiction of parliament; and now that the war is over I object to these things being done over the head of parliament. We have been told that parliament is supreme, but if that is so by this bill we are losing our supremacy. This bill will permit money to be spent without any control whatever by this house, and all we will be able to do is conduct a post mortem on the corpse after it is dead and buried. I believe this will lead to widespread unemployment, and that in the years to come we shall regret our action. Only yesterday or the day before someone mentioned something about free trade. Well, at one time hon. gentlemen to my left and the minister himself were free traders, but now we have the minister bringing in a bill establishing the highest form of protection, in fact eight or ten forms of protection. At one time under free trade, and the law of supply and demand the price of wheat went as low as 38 cents a bushel, and at that time other bills were introduced along this line by another government, to which I raised the same objection.

I believe this bill is a retrograde step for parliament to take. We are giving the governor in council power to appoint all kinds of officials over the head of parliament without the control of the civil service commission or anybody else. It is now almost two years since one war ended; next summer it will be two years since the other war ended, and here we are passing a measure of this kind when we do not know the countries to which we can export anything and receive payment for it. I do object to legislation of this kind. It is not in the interests of responsible government, and as I see the matter it is against the constitution for us to delegate such powers to one minister of the crown, because the executive, the privy council, must act as a unit; they cannot have differences of opinion. I have gone over the whole bill, and I can tell you that if a motion were made for the six months' hoist I would vote for it.

Motion agreed to, on division; bill read the third time and passed.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Thursday, March 20, consideration of the motion of Mr. Ilsley that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I had not intended to say anything at this stage. Until last evening I was quite content, together with the leader of the opposition (Mr. Bracken), to allow the resolution to go to committee at the earliest possible moment, there to discuss freely with the various ministers concerned what they had to propose. But a statement made in the house last night by the leader of the C.C.F. party (Mr. Coldwell), in which he attempted to create an impression completely off the track of truth, has lead me to make a brief statement concerning the social credit position with respect to this whole matter of controls.

To listen to the leader of the socialist party in this house one would think he and members of the C.C.F. are the only people in this country trying to fight the battle of the common people. One would think all the rest of us are a bunch of knaves and scoundrels—

Mr. COLDWELL: That is what you said of us.

Mr. LOW:—who are combining our efforts to sell the people into the clutches of the "fifty big shots." That, of course, is sheer unadulterated nonsense. I have consistently pointed out that during these past few months the leader of the C.C.F. party has attempted to lead the people to believe that we—and when I say "we" I mean the social credit organization—have joined forces with the Liberals and Conservatives to sell the people into the clutches of the fifty big shots. I have in my hands extracts from a radio address given over the Canadian Broadcasting Corporation network by the leader of the socialist party on January 22, 1947, from which I quote:

The Liberals, backed by the Tories and the Social Crediters, do not believe in economic democracy.

That is a pretty broad categorical statement. Then he continued:

They are determined to hand back the direction of the economic life of this nation to the financial institutions, Aluminum Limited, Steel Company of Canada, Consolidated Mining and Smelting, International Nickel, Imperial Oil, and so on. Offsetting our political democracy, they are imposing an economic dictatorship which rests in the hands of a few hundred so-called big shots who direct big business. The C.C.F. believes that under such conditions we can never have complete democracy.

I do not pretend, Mr. Speaker, to speak for the Progressive Conservatives or for the Liberals, but I am going to speak in no uncertain terms for the Social Crediters of this country. I am going to say that the leader of the socialist party in making that statement was either wilfully ignorant of what we do propose or was deliberately attempting to mislead the public.

In the house last night the leader of the socialist party said this:

We cannot one day demand parity and orderly marketing, and the next day denounce public planning and controls, as steps towards regimentation and slavery, as my hon. friend the leader of the Social Credit party (Mr. Low), did in this house during the debate on the address.

I wish to state that I have consistently denounced a policy of planned economy, because I am convinced that a policy of planned economy will inevitably lead to statism and dictatorship. I have never at any time denounced public planning. I have simply maintained that there is no such thing now possible as public planning. There could be public planning only under a system of finance that succeeds in getting purchasing power into the hands of all the consumers of Canada, and that ensures healthy competition in most fields of endeavour. Consumers under such circumstances could then be called public planners—but only then.

The trouble with the hon. member for Rosetown-Biggar is that he has shifted his ground so often that not only is he confused, but he has so confused the people about what he means when he speaks of planned economy that they cannot follow him. He found that the people generally—and he found it some years ago—saw the danger in state planning, or in government planning, the terms which they were using then; so he shifted his ground to another term which he thought would be much more palatable to the people, with the result that now he calls it "public planning."

I should just like to know what is meant by planning and by controls. I am sure that all honest members in the house—and I am sure that most of them, indeed if not

all, are honest—will recognize that everything depends upon just how one defines the word "control" or the word "planning". No agreement is possible among us, as hon. members of the House of Commons, unless we are most careful to define our terms.

When the leader of the C.C.F. speaks about controls he means turning over to a government department or board or commission the power of absolute control over some phase or aspect of the national life. I do not think there is any question about that. It is true, and I grant him this, that he may hope that it could be done in a democratic way; but I must emphasize that to the extent that somebody else has the power of control over any aspect of your life, you are divested of that much of your freedom, and you are a slave to that person's will.

I believe it is perfectly correct to say that if one's life is to be controlled, it does not matter much who controls it. I cannot see that there is any virtue in being victimized by state officials rather than by privately controlled interests. I do not think there is any difference at all. And yet the advocates of state socialism, right here in this House of Commons, try to tell us that the regimented, planned and controlled state, under a vested interest of a political party seeking power, is democracy, while a regimented and controlled economy under private monopoly, which all talk so much about, is dictatorship.

Mr. REID: There is only one perfect controller, and that is the Lord himself.

Mr. LOW: I think that is perfectly correct. But the fact is that both systems I have mentioned are dictatorships, and I denounce them as such. If anything, in my opinion the regimented and planned state is even more of a dictatorship; for in the regimented and planned state the people are the absolute slaves of the state, and short of revolution and bloodshed they are helpless to do anything about it.

Actually there is no real difference between a state monopoly and a private monopoly, except that the state monopoly is much more powerful. We have witnessed that the ones in Germany, Italy and Russia, which are the perfect examples of completely planned economies, or completely controlled economies, are certainly much more ruthless than any private monopolies we have ever known about.

Bearing this in mind, let us take a brief look at the controversy about government controls. The present controls that the government have been using were imposed under wartime conditions to meet an emergency situation. Rents were controlled to prevent landlords from taking advantage of the housing shortage to raise their rents and thereby reduce the standard of living of the people. Prices were rigidly controlled for the same reason. Wages were controlled so that workers could not demand higher pay, since under our present financial organization in Canada there would have resulted nothing but increased production costs and therefore higher prices to consumers. You can take these controls one by one, and you will find, if you examine them carefully, that their real purpose was either to restrict production of goods and services in this country, particularly goods for home consumption, or they were to bolster up a week and faulty system of finance.

On the one hand the controls may have been introduced for the purpose of restricting production of certain goods and services, especially those for home consumption, so that the maximum effort could be diverted into the production of materials for war. Now that the war is over, it can only be common sense, it seems to me, that the cure for the shortage of homes is not to continue indefinitely to control rents. The sensible cure is to embark upon an adequate programme of building of dwelling houses which will ensure all Canadian families having homes of their own. Similarly, Mr. Speaker, it seems to me foolish to continue a rigid control of prices which was an emergency measure designed mainly to restrict certain kinds of production. Rather it seems to me that by removing every possible barrier to it, production should be increased to the utmost in order that through competition to please consumers, the control of prices will be exercised by the people through the things they have to buy.

Instead of limiting wages or allowing prices to go on rising with every increase in wages, thereby offsetting any possible benefit that workers would otherwise receive, surely the sensible thing to do is to supplement wages by providing workers with social security incomes which do not form a charge on industrial costs. By doing this we also get away from the need for imposing on the people an intolerable burden of taxation which reduces their incomes, all so that the state can dole out grudging charity administered by a hard-boiled democracy.

It must be increasingly evident to all thinking Canadians that we have to get away from our present methods of doing some things. We all must admit that. Surely every straight-thinking Canadian can see that it is the harsh taxation, the centralized state controls, the state imposed restrictions and the bureaucratic regimentations introduced under war conditions that have landed Great Britain, the

United States and Canada into the mess in which we are floundering today. I do not think there can be any question about that at all. If we continue to adopt that policy, surely it can lead us only to disaster and dictatorship.

I should like for a moment to review the position which this Social Credit group took in November 1945 when bill 15 of that session was before the house. The government at that time took the position that if remaining controls were to be removed, chaotic conditions would result, prices would rise, and labour unrest would follow. In answer to that we pointed out that though the government had been warned repeatedly about these very dangers, they had persisted in remaining within the confines of a debt-creating system of finance which created for themselves the very problems which they were then seeking power to continue to control.

We further pointed out at that time that under a sound democratic and scientific system of finance, neither inflation nor deflation could threaten our economy. At the same time we admitted that it is a fact that under our present debt-ridden and restrictive money system both inflation and deflation, with all their disastrous consequences, did threaten our economy. But we said these dangers cannot be dealt with satisfactorily through controls that place in the hands of individuals great power over their fellow men, because, as the war has so definitely proved, when one control is introduced to cure human problems it inevitably creates other and more serious problems and leads from one control to another until you have nothing but a great network of controls. The only effective controls are those which are inherent in a justly scientific economic structure which by its very fairness and justice induces—mind you, Mr. Speaker, I say induces—the full support of all classes of the community and will be freely sustained without compulsion of any kind. That was the position we took.

We further granted at the same time that the government required to exercise a measure of control over price structures, foreign exchange, import and export of goods, rentals, and so on; but we did urge that the government abandon bureaucratic controls as rapidly as possible and concurrently introduce a system of automatic controls that would do a better job without endangering the freedom of individuals in this country.

Just here I want to remind hon. members that Social Crediters were the first in this house to advocate price controls as an alternative to taxation, before the war situation became intense. The minister at that time said it would take a gestapo to enforce it. Well, Mr. Speaker, I want to point out that it has not taken a gestapo to enforce it especially in that field where the government introduced the compensated price discount system to the payment of milk subsidies. That is exactly the thing we have advocated for many years as a means of price control, and it was effective without a gestapo or horde of controllers.

Moreover, not only have Social Crediters consistently demanded a system of parity prices, which has been talked about so glibly, for all Canadians, but we have gone further and shown the government how it can get the money to establish that system without resorting to taxation, which is much more than the hon. leader of the socialist party in this house has ever done.

Mr. COLDWELL: We are waiting for you to do it.

Mr. LOW: Some people are so dense they cannot see.

Mr. COLDWELL: Thank you very much. We will see about that in a moment.

Mr. LOW: The hon. leader of the socialist party in this house has advocated parity of prices. That is quite true, but his smoke-screen of vaporings about the advantages of social ownership has failed to hide the fact that he would depend upon heavy taxation to produce parity. I declare it as my opinion that a full parity price structure can never be secured for the people of Canada if it has to depend upon taxation applied by this parliament.

Where do we Social Crediters stand on this whole question of controls? Do Social Crediters advocate the immediate return to the laissez-faire of irresponsible enterprise of the pre-war years? The hon. member for Rosetown-Biggar has said so. He has tried to make it appear to the Canadian people over the radio, as I have already said, and again in the house last night, that we favour throwing the people of Canada completely on the mercy of private interests who will be free to exploit them. This is sheer nonsense. Social Crediters have always advocated responsible enterprise, and we did so long before the hon. leader of the C.C.F. veered into that position from the pressure of public opinion. We acknowledge the necessity of safeguarding the welfare of the people and of providing them with adequate and effective protection against evil forces that may exploit them.

With us it is not a question of the need of controls; it is indeed a question of what kind of controls.

Social Crediters are implacably opposed to planned controls which enhance the power of the state at the expense of the liberties of the individuals of Canada. We vigorously oppose all such controls as vest in hordes of insolent bureaucrats authority over every phase of the lives of the people. Rather do we urge that as rapidly as possible wartime bureaucratic controls be removed, be replaced immediately by a set of effective checks and balances inherent in a revitalized and reformed financial policy, and which automatically safeguard the whole political, economic, and moral welfare of our people. Every thinking person knows that substantial reduction in taxation will open the floodgates to full production, which I think is the surest possible way to control the threat of inflation. Electoral reform to ensure continuous response to the will of the people by their elected representatives in parliament is the surest way to control the threat of rising state socialism and totalitarianism and to safeguard the freedom of the individual. Establishing a monetary authority charged by parliament with the responsibility of maintaining a constant balance between effective purchasing power in the hands of all the people and the total of goods and services available for sale, together with a condition of healthy competition in all fields, is a guarantee against deflation and in my judgment is the surest way to prevent the exploitation of the people by financial monopolies.

"Public planning" becomes a reality only when all of the people are able to exercise the economic vote through the dollars they have in their pockets to spend. These dollars are their economic ballots through which they express their choices with regard to the kind of goods and services they want, with regard to the amount of these goods and services that they want, under what conditions they shall be delivered to them, who is to make them, and so on.

Again, application of the compensated price discount, which has been used by the government in its milk subsidies policy, is the surest and the safest way to control prices to consumers. We advocate that.

Again, a system of subsidies, financed not out of taxation, but by the creation of new money, debt-free, to represent the goods and services that otherwise would be wasted in Canada, is the surest way to establish stability of wage scales and of commodity prices to primary producers. We have always thought that the government acted very unwisely in dropping the subsidies on milk, and it would be equally unwise to drop the subsidies on cream. Through this action of the government a good many people will suffer a seriously depressed standard of living. I predict that the government will have to come back to these subsidies, and the sooner they do the more surely will they prevent serious deflation in this country in the years ahead.

All these things which I have outlined Social Crediters fight for and all of them are entirely practicable. They represent the only alternative to bureaucratic controls of the "planned" state on the one hand, and on the other the weak, ineffective, laissez-faire checks and balances of the present out-worn and irresponsible financial system which juggles so carelessly with human life, and which has plunged it periodically into depressions with all their hell of hunger, of nakedness and of economic insecurity. Social Crediters fight constantly for a revitalized democracy with all that that means, including economic democracy. I would say right here and now that the leader of the socialist party has no right to declare that this group has not fought for economic democracy. There can be no democracy at all without economic freedom. That is the very thing we have been advocating, and that is the thing which my hon. friend has only recently come to understand must be—

Mr. COLDWELL: That is untrue, and I shall prove it.

Mr. LOW: You will have your chance to prove it, but it must be the whole truth and not the half truths that the hon. member has been frequently muttering over the air.

Mr. COLDWELL: Will the hon. member be listening?

Mr. LOW: We shall be listening. In a true economic democracy, Mr. Speaker, all the consumers in the country with purchasing power in their pockets are the real controllers, and they will exercise effective control.

This ends the statement I wished to make in connection with this matter of controls. I should like to say that we are prepared now to facilitate the passing of the resolution into committee and we shall there get all the information we can from the ministers concerned, but we shall reserve the right to propose changes in the bill if we find that these changes are desirable when the bill is brought before the house.

Mr. JEAN LESAGE (Montmagny-L'Islet) (Translation): Mr. Speaker, I have no intention of unduly stretching out the debate on the resolution which has been submitted to

us. If I speak at this moment, it is because I feel that I must explain the way I am going to vote. And I believe this explanation necessary because of the constitutional factor which consideration of the resolution injects into this matter.

It is evident that the bill which will follow the passing of the resolution, will impinge on the field of property and civil rights, which our constitution places under the exclusive jurisdiction of the provinces, as stated in subsection 13, section 92 of the British North America Act.

The question that comes to mind is the following: From a constitutional viewpoint, are we authorized to pass such a resolution? If the answer is "Yes", as I believe it must be, on what principle are we to base our gesture? As a rule, when the federal parliament invade the field of property and civil rights, they justify their action on the basis of two different principles.

The first of these principles is that the government may, in the event of a national emergency and in order to provide against extreme cases of urgency such as those to which the war gave rise, pass temporary legislation even after the cessation of hostilities. The other principle was stated yesterday in this house by the right hon. Minister of Justice (Mr. Ilsley), in the following terms:

the dominion may have the power even when there is no emergency to legislate for the peace, order and good government of Canada, even though its legislation touches upon matters ordinarily regarded as solely within provincial jurisdiction. In other words, the judgment of the

I refer the house to page 1553 of *Hansard:*

And to supplement this expression of opinion which was formulated after that of the deputy minister of justice, may I quote the following from the legal opinion given by Mr. Varcoe:

(Text):

The true test, according to this decision, is whether the real subject matter of the act goes beyond local or provincial concern and must from its inherent nature be the concern of the dominion as a whole. Such an act is within the competence of parliament though it may in another aspect touch upon matters especially reserved to the provinces.

(Translation):

Let us first consider the sources from which the first principle arises so as to ascertain whether we can admit it and subsequently rely on it to vote for this resolution. This principle, I repeat, is the following: In a national emergency, in order to meet extremely serious situations like those to which war gives rise, the dominion government may enact legislation of a temporary character even after the end of hostilities.

This constitutional principle is admitted in all jurisprudence; it is clearly and definitely admitted in a recent judgment of the privy council in the reference on the Japanese question. That decision is based on the principles which the privy council had already enunciated in the case of the Fort Francis Pulp and Power Company Limited v. the Manitoba Free Press Company Limited. Here is what is said in Viscount Haldane's judgment:

(Text):

It is clear that in normal circumstances the dominion parliament could not have so legislated as to set up the machinery of control over the paper manufacturers which is now in question. The recent decision of the judicial committe in the Board of Commerce case, a well as earlier decisions show, that as the dominion parliament cannot ordinarly legislate so as to interfere with property and civil rights in the provinces, it could not have done what the two statutes under consideration purport to do had the situation been normal. But it does not follow that in a very very different case, such as that of sudden danger to social order arising from the outbreak of the great war, the parliament of the dominion cannot act under other powers which may well be implied in the constitution.

Then a little later on:

The general control of property and civil rights for normal purposes remains with the provincial legislatures. But questions may arise by reason of the special circumstances of the national emergency which concerns nothing short of the peace, order and good government of Canada as a whole.

Then later:

Their lordships, therefore, entertain no doubt that however the wording of sections 91 and 92 may have laid down a framework under which, as a general principle, the dominion parliament is to be excluded from trenching on property and civil rights in the provinces of Canada, yet in a sufficiently great emergency such as that arising out of war, there is implied the power to deal adequately with that emergency for the safety of the dominion as a whole.

(Translation):

And Viscount Haldane states, a little further in his judgment, that it is incumbent on the dominion government alone to determine at what time the national emergency ceases, even after the end of hostilities. I quote:

(Text):

When, then, in the present instance, can it be stated that the necessity altogether ceased for maintaining the exceptional measure of control over the newspaper print industry introduced while the war was at its height? At what date did the disturbed state of Canada which the war had produced so entirely pass away that the legislative measures relied on in the present case became ultra vires? It is enough

to say that there is no clear and unmistakable evidence that the government was in error in thinking that the necessity was still in existence at the dates on which the action in question was taken by the paper control tribunal.

(Translation):

In accordance with this first principle, Mr. Speaker, I shall vote for the resolution now before the house because I find that it is based on two factors which are essential to the validity of this bill: first, the temporary nature of the measures; second, the emergency crisis. At this stage of the resolution, I do not intend to discuss whether there really is an emergency crisis nor to ascertain which controls we ought to throw overboard and which we ought to maintain. Reserving the right to take up this matter when the bill is before the house, I may however express my deep conviction that, if all controls were removed overnight, Canada would be thrown into a state of economic chaos that would adversely affect the very life of the country.

Mr. MICHAUD: That's right.

Mr. LESAGE: I now wish to discuss as briefly as possible the second principle which I mentioned at the beginning and under which some jurists would allow the government to encroach upon the exclusive rights of the provinces by claiming that the object of the legislation is peace, order and good government of the country, even if it deals with matters usually considered as subject to provincial jurisdiction only.

I respect the enlightened opinion formulated yesterday by the Minister of Justice, who also quoted his deputy minister, but I must say that I respectfully disagree with them on that point, and several of my colleagues have told me that they share my views on the matter. The Minister of Justice contends that the principle stated is based on a judgment rendered by the privy council in the Temperance Act case. That piece of legislation had been adopted by the Parliament of Canada in 1878 and had to do with the sale of alcoholic beverages. The validity of the act had been questioned in the case of Russell vs. the Queen, in 1882; however, the privy council had confirmed its validity. That very question was again raised regarding the same legislation in the recent case of the Attorney General of Ontario et al vs. the Canada Temperance Federation et al, brought before the privy council in 1946. Judgment was delivered on January 21, 1946, by Viscount Simon. It is contended that the principle I mentioned earlier and which was stated yesterday by the Minister of Justice, was enunciated in the said judgment. In my humble opinion, the decision rendered in 1878 in the Russell case was erroneous. Subsequent decisions by the privy council express opposite views. I will only mention two: the judgment on an appeal re the Board of Commerce Act; and the judgment delivered in the case of the Toronto Electric Commissioners vs. Snider.

In the first case, concerning the Board of Commerce Act, judgment was delivered by Viscount Haldane. I wish to stress this point, since the part which I propose to quote from Viscount Haldane's decision is in direct contradiction, I submit respectfully, with the opinion expressed yesterday in this house by the Minister of Justice. I quote:

> No doubt the initial words of section 91 of the British North America Act confer on the parliament of Canada power to deal with subjects which concern the dominion generally, provided that they are not withheld from the powers of that parliament to legislate, by any of the express heads of section 92, untrammelled by the enumeration of special heads in section 91. It may well be that the subjects of undue combination and hoarding are matters in which the dominion has a great practical interest. In special circumstances, such as those of a great war, such an interest might conceivably become of such paramount and overriding importance as to amount to what lies outside the heads in section 92, and is not covered by them. The decision in Russell v. The Queen (1882) 7 App. Cas. 829 appears to recognize this as constitutionally possible, even in time of peace; but it is quite another matter to say that under normal circumstances general Canadian policy can justify interference, on such a scale as the statutes in controversy involve with the property and civil rights of the inhabitants of the provinces. It is to the legislatures of the provinces that the regulation and restriction of their civil rights have in general been exclusively confided, and as to these the provincial legislatures possess quasi-sovereign authority. It can, therefore, be only under necessity in highly exceptional circumstances such as cannot be assumed to exist in the present case that the liberty of the inhabitants of the provinces may be restricted by the parliament of Canada, and that the dominion can intervene in the interests of Canada as a whole in questions such as the present one.

In the case of Toronto Electric Commissioners v. Snider, Viscount Haldane again delivered judgment, referring to the case of Russell v. The Queen in the following terms:

> It appears to their Lordships that it is not now open to them to treat Russell v. The Queen (7 App. Cas. 829) as having established the general principle that the mere fact that dominion legislation is for the general advantage of Canada, or is such that it will meet a mere want which is felt throughout the dominion, renders it competent if it cannot be brought within the heads enumerated specifically in section 91. Unless this is so, if the subject matter falls within any of the enumerated heads in section 92, such legislation belongs exclusively to provincial competency. No doubt there may be cases arising out of some extraordinary peril

to the national life of Canada, as a whole, such as the cases arising out of a war, where legislation is required of an order that passes beyond the heads of exclusive provincial competency.

In my opinion, both judgments formally contradict the judgment delivered in the Russell case and implicitly admit that the decision of 1878 was erroneous.

It is true, however, that in the judgment rendered by the Privy Council in 1946 on the validity of the Temperance Act, the Privy Council seems to confirm the opinion given in the Russell case; but if the judgment of Viscount Simon is carefully examined, it is seen that the original decision was reluctantly upheld, for a reason which I can better express by quoting an excerpt from the judgment:

(Text):

The appellants' first contention is that Russell's case (supra) was wrongly decided and ought to be overruled. Their lordships do not doubt that in tendering humble advice to His Majesty they are not absolutely bound by previous decisions of the board, as is the House of Lords by its own judgments. In ecclesiastical appeals, for instance, on more than one occasion, the board has tendered advice contrary to that given in a previous case, which further historical research has shown to have been wrong. But on constitutional questions it must be seldom indeed that the board would depart from a previous decision which it may be assumed will have been acted on both by governments and subjects. In the present case the decision now sought to be overruled has stood for over sixty years; the act has been put into operation for varying periods in many places in the dominions; under its provisions businesses must have been closed, fines and imprisonments for breaches of the act have been imposed and suffered.

(Translation):

Therefore it seems that if the Privy Council refused to reverse its former decision, it is because the judgment had been delivered a long time ago and the principles involved were considered as part of the constitution itself.

Therefore, this decision, merely because it confirms the judgment delivered in the Russell case, should not justify enunciating a principle as dangerous as that expressed yesterday by the Minister of Justice. I cannot admit that principle, and I repeat that if there were no emergency and if the proposed measure were not of a temporary nature, I could not support it.

In conclusion, may I emphasize that the existence of a state of emergency in another country, even though it may affect the economy of Canada, could not justify the adoption of legislation, even of a temporary nature, under the first principle which I have expounded, unless a state of emergency existed in our own country.

Mr. MICHAUD: Hear, hear.

Mr. LESAGE: Therefore, notwithstanding the great respect which I have for the enlightened views expressed by the Minister of Justice, I cannot admit the validity of the additional reason he gave in his remarks, which I quote from page 1554 of *Hansard:*

(Text):

Great national interests are at stake in the sense that as an aftermath of the war the economic stability of the greatest national customer that this country has had in the past is endangered and it is in the national interest that food should continue to flow to the people of Great Britain in order that they may be in a position to produce goods and exchange them for our goods in the future and continue to be the great market that they have been in the past.

(Translation):

Every precedent indicates that a state of emergency must exist in the country itself, and I cannot conceive that we have reached a point in the international sphere or that we have reverted to colonialism to such an extent that a state of emergency in Great Britain should allow us to disregard our own constitution.

Mr. COTE (Matapedia-Matane): Hear, hear.

(Text):

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, this resolution, which provides for the continuation of certain orders and regulations for a limited period during the national emergency, is to my mind one of the most important to come before the house this session. It is because what I have to say has to do with the principle behind the whole measure that I wish to speak on the resolution rather than on the bill itself.

Before I come to the resolution I should like to make reference to the speech delivered earlier today by the leader of the Social Credit party. He began his speech by dealing with such things as ignorance and nonsense, and I think he is to be congratulated on the way he stuck to his point all through his speech. I do not know why the hon. member should make so much of what he considers to be the urge for regimentation coming from this part of the house. If he looks back to the record —and one does not need to go very far back— he will find that his friends in Alberta have been doing some things which to my mind bode ill for democracy in this country. I hold in my hand a clipping which I took from the press only this morning. It appeared in

the *Globe and Mail,* and the headline reads, "End present political parties, Alberta Social Credit urges." Then it goes on to say:

> The annual report of the Alberta government's social credit board, released today, urges "abolition of political parties" . . .

Then it goes on to say why, and here is the most intriguing part of the report. It not only would abolish the political party system as we know it, but they go on and say:

> The board criticized the secret ballot and recommended its abolition in certain circumstances. All the board's recommendations are qualified with some such as abolition of the secret ballot based on establishment of a new economic system.

I do not know what kind of economic system we could envisage in this country which would require the abolition of the secret ballot. To me the secret ballot is the sacred part of our democracy, because when we can no longer express our opinions in times of election freely and without fear, we can no longer have a truly democratic parliament.

The press report goes on to say:

> The report said the secret ballot enables a citizen to evade responsibility for his actions, adding when he votes for a candidate of a political party, he is also voting for the party platform.

That does not always hold good. The press report goes on:

> The secret ballot, the report continued, gives the voter the opportunity to condemn later the actions of the government for which he voted.

That is the privilege which they would take away from the voter. Having once voted for a government or for a party to form a government, apparently this board thinks that the voter no longer has any right on any future occasion to reverse his decision and to vote his party out of power. That to my mind is a vicious principle to insert in any recommendation in any report.

While the hon. member was at the height of his oratory, he went on to say that he was for electoral reform, that he was in favour of making parliament more responsible to the people. He did not go on to say how he was going to do it, but if he were to follow the pattern that is apparently shaping in Alberta, we can see what he would have. I spoke of the social credit board, and the personnel of it is given. You will be surprised to find that the board is composed of four members of the Alberta legislature. There is a board made up of four persons elected by the people who now would deny to those same people the right to exercise their secret ballot to remove them from the office which they were given the honour to hold for the time being. The hon. member made some mention of insolent bureaucrats. If there is anything which can go farther in the way of insolence than what is suggested by that board made up of four elected representatives advocating that in the future the people should not have a secret ballot, then I do not know what it could be.

I do not want to go much farther in that direction, because I have other things to say; but I want to state clearly that the hon. member for Peace River (Mr. Low) in his anxiety to attack the C.C.F., has exposed certain of his philosophy which does not look very democractic to me. He said that he denounced dictatorship. I congratulate him upon that. Why should he not denounce it? All of us in this chamber are against dictatorship. But when the province from which he comes, the only one which has a government of the same political persuasion as himself, has the temerity to set up a board of four of their elected representatives who have, to use his own words, the insolence to present a report of the kind to which I have referred, then I say he is not doing much to prevent the dictatorship which he fears.

Mr. QUELCH: Have you the report there?

Mr. ZAPLITNY: I am quoting from the *Globe and Mail.*

Mr. QUELCH: Do you believe everything you see in the *Globe and Mail*?

An hon. MEMBER: Why not?

Mr. SPEAKER: Order.

Mr. BLACKMORE: Read the report first.

Mr. ZAPLITNY: I shall read the report as soon as I receive it from the social credit board to which I have written, today, asking them to send me the full text of it.

Mr. BLACKMORE: One can prove anything if he takes statements out of their context.

Mr. ZAPLITNY: That was exactly what the hon. member for Peace River tried to do when he was talking about the C.C.F.

Mr. BLACKMORE: Would the hon. member mind reading the report in the *Globe and Mail*?

Mr. ZAPLITNY: I have placed it on the record.

Mr. BLACKMORE: Read the whole thing.

Mr. ZAPLITNY: I have quoted the parts of the report which have a bearing on what I have to say. If the hon. member wishes to

quote the rest of it he is welcome to the use of the clipping, which I have here. I did not rise to attack the Social Credit party, and said what I did only because they have made certain statements which needed to be elaborated upon.

Last evening, in my opinion the minister made one of the best speeches he has ever delivered in this house, and during the course of his remarks he brought out certain facts which should be seriously considered. He pointed out that at this time there was the danger of subscribing to the propaganda which seems to come to us so regularly, to the effect that all controls except rent control should be done away with. Yesterday the leader of our group placed on record the result of a Gallup poll taken early this year on the question of whether or not all controls should be removed, with the exception of control over rents. Two-thirds of those asked the question replied "no". I am not suggesting that such a poll is 100 per cent accurate, because we have to allow for its mechanics, but generally speaking I think it can be said that two-thirds or more of the people of this country are alarmed at the way in which the cost of living is rising.

When hon. members rise and say they would like to see the removal of all controls except those over rents, I think they are doing an injustice to public opinion in two respects. In the first place, it does not bear out what the public have expressed, when they have had an opportunity to do so. In the second place, if at this time it were possible to remove all controls except rent control I still would not be in favour of taking that action. Why should we penalize one sector of our population? Owners of homes who are under rent control are just as worthy as any other people in this country; so why should we make them an island in our price control system and say all controls will be removed, all other prices may rise as much as they like, but those who own property will still be subject to rent control? I cannot see the logic in a situation of that kind. I have also before me a number of statements made over the radio by Mr. Donald Gordon. I am not going to take time to quote them all, but this is part of one delivered on November 1, 1946, which I think should be considered:

> People that want price increases sometimes suggest that removing the controls at this time would not result in any serious advance in the price level. That is sheer nonsense. That sort of view is the kind of logic used by an ostrich when he hides his head in the sand.

I believe there is a good deal of truth in that statement. We have only to ask ourselves why we have this propaganda at this time for the removal of price controls, in order to have an answer to the question of whether or not prices would rise. If it is the opinion of those who are urging that price controls be removed that prices would not rise, then there would be no reason for them to ask for the removal of controls, because in that event price control would have nothing to do with their prices. Under the regulations of the wartime prices and trade board no one is prevented from selling at less than the ceiling price, but people are prevented from selling at more than ceiling prices. Therefore anyone who says the removal of price ceilings will not cause prices to increase should not advocate decontrol, because it would have no effect whatever on his prices.

Who wants decontrol? Well, at their meeting in Toronto on January 28, 1947, the Canadian Manufacturers' Association went on record as being totally opposed to price control, and other similar organizations have been sending their representations to members of the house. Hardly a day passes when letters do not arrive on our desks asking for decontrol in certain fields. When you examine them carefully you find that many of these persons and organizations asking for decontrol of their prices so that they may charge more for their products are still quite willing to have controls remain on the things they must buy in order to produce their products. You cannot have it both ways. I believe, if the government wishes to deal fairly and squarely with all segments of the population, controls must be administered fairly and squarely. There must not be any hit-or-miss system, allowing one industry or one group of industries to be decontrolled so that they can clean up on the prices caused by shortages while others have to take the consequences.

In this chamber it is hard to analyse accurately the feeling from time to time on price control, but as a general thing I believe it can be said that the group to which I have the honour to belong have taken a consistent stand that, as long as it is necessary for the administration of just prices, controls should be maintained in effect. On the other hand, members of the Progressive Conservative opposition have been fairly consistent in advocating decontrol. If you look back over the record you will find that at least one hon. member when speaking in this house the other day, I believe it was the hon. member for Wellington North (Mr. Menary), made the statement—and the members of his party sitting around him applauded at the time—that in his opinion all controls except those over rents should be removed. He also said that was the opinion of his colleagues, and

I take it that represents the attitude of the Progressive Conservative group at the present time.

Mr. MENARY: Rising to a point of order, I did not say it was the opinion of my colleagues. I made the statement that it was my opinion.

Mr. ZAPLITNY: I presume I would be out of order if I quoted from a former debate, but if my recollection is correct I believe my hon. friend used these words: "I join with my colleagues to urge that all controls except rent control be removed." If that is not the case I shall be glad to be corrected. The hon. member for Stanstead (Mr. Hackett), I believe during the same debate, also took a determined stand against any controls whatever, as did the hon. member for Lincoln (Mr. Lockhart) and a few others. I am not trying to pick a quarrel with members of the opposition as to their intentions or desires. They have their opinion on this subject, and it is an earnest opinion which I respect. But I believe it is an opinion which, if carried out, would cause what the minister described last night as a gyrating price system in this country. If we followed their advice, not only would we have inflation in this country; we would have the anomaly of both inflation and deflation at the same time. We would have more than that. We would find it would be not only a matter of prices going up, but a matter of a breakdown in the distribution of articles for sale.

I am sometimes told by hon. members that the average small businessman is sick and tired of controls and wants to get rid of them. But if they were to examine what took place in the last five or six years; if they were to ask the average small merchant about the business he did in the last few years as compared with the five years prior to that, they would find that under the price control and ration system the average small merchant did exceedingly well. They would find, too, that today a great many of these small merchants are changing their minds about price control and rationing. They are beginning to realize that, had it not been for price control and control over the distribution of goods, thousands of them would have had to close their doors during the war, with nothing to sell because they would not have obtained the goods. The big industries, the chain stores, the big concerns next to the manufacturers would have had all the business at whatever prices they felt like charging, while the small businessmen, dependent upon certain regulations and controls to see that all were treated fairly, would have been left with either nothing to sell or no one to sell it to.

The small businessman today realizes, too, that there is only a certain amount of purchasing power in the hands of his customer. And the average small merchant does not make his living by selling to the people in the high-income brackets. Those are the people who can afford to go other places to buy their goods. He makes his living from selling his product to the worker in the factory and in the mine, and by selling to the farmer, if he happens to be in a farming community. They are the people having modest incomes. If inflation starts in, and if their incomes are suddenly taken away from them in the form of inflation, purchasing power is cut in half, and the business of that merchant is also cut in half.

So that the average merchant today, after having studied the situation, and after having a slight flirtation with inflation, is finding that the honeymoon is over. He is finding today that, under price control; under a control of distribution, he did better than he ever did in any other period in the history of this country.

I would point out to the minister and the government the seriousness of the steps they are contemplating. It seems to me that what they are attempting to do is to follow out what they call orderly decontrol, a process which the minister said was the opposite of the boom-and-collapse system of decontrol. If that is what they are trying to do, then I am not altogether sure they are succeeding. All we have to do is to look over the papers from January 1, 1946, to January 1, 1947, and follow the news items announcing the different rises in prices, announcing the removal of ceilings, to see that the government policy of decontrol has not been one designed in the best interests of the average workingman in this country.

I do not need to quote many figures; the house will have plenty of them later. But just to give one example, in the period from January 1, 1946, to January 1, 1947, the increase in prices of agricultural products is shown as an index of 4·4, while the increase in manufactured products in the same period was 8·6. It will be noted that the second figure is almost twice as large as the first.

It cannot be called orderly decontrol when prices of manufactured products increased twice as much in the same period as did prices of farm products. We find today that many farm products are still under price control; and so long as that means stabilization the

farmers are not objecting to it. But while this is going on, the government is permitting others to get out from under the ceilings entirely, or to raise the ceiling to an extent where they make it almost impossible for the farmer to produce his goods, which are under control.

I want the government to realize, too, the effect of a headlong decontrol policy, such as is being advocated by the Progressive Conservative party, and which unfortunately the government is following to a large extent, upon old age pensioners, for example, and other people who are retired and living on pensions of some kind. They may be receiving railway pensions, or they may be people with fixed incomes, who cannot go on strikes to raise the amount of their pensions or incomes, who cannot go into collective bargaining or come to the government and say, "You must increase our pension because the cost of living has gone up". They are people who are in a category who have to live on what they receive; and if their cost of living is doubled, then the government is cutting their cheques in half. Surely that is a mathematical statement which cannot be contradicted.

Then there is another class of people, sometimes referred to as white-collar workers. In that class would come civil servants, schoolteachers, clergymen and thousands upon thousands of others who are living or attempting to live on salaries which cannot be adjusted from month to month, or sometimes even from year to year, but whose salaries have been set over a period of time. These people find that, as the cost of living goes up, their purchasing power proportionately falls, and their standard of living is necessarily lowered by that amount.

I should like the government also to realize what it will mean to people in modest income brackets who invested their last dollar, so to speak, in victory bonds or war savings certificates. They bought their bonds in good faith during the war, many times having to spend more than they could afford in order to make the purchase, and put that money away. But they did it, first, because it was a patriotic duty, and, second, because they believed it was good business to have some money put away in order that they might, after the war was over, buy things which they could not get during the war.

It was good business, provided that conditions remained the same. But let us consider the person who bought a $100 victory bond in 1942 and put it away. Then in 1947 he decides to use that bond to buy a piece of furniture, or something else which he could not have bought in 1942. He takes his $100 bond, cashes it, and finds that his $100 is worth only $75 or perhaps $66, because the price of the article he was going to buy has gone up to a point where the value of his bond is almost cut in half.

That is something else to which consideration should be given. Let us not forget, too, that we have heard representations about widows and orphans, and the effect of certain measures on their living. Widows, orphans and others in that category have never been given enough by way of allowances to bring them up even to an ordinary standard of living. They have been given allowances which permitted them what might be described as a subsistence standard of living. Today there does not seem to be anything on the horizon to show a general increase in allowances for widows and their children. Yet those people have to take the same amount of money, go out and try to buy food, clothing and all the other necessities of life, the prices of which in many instances have gone up fifty or sixty per cent, and in some instances seventy-five per cent. It is not fair to ask those people to do that.

Then we have our war veterans. When they were overseas many of them, in their slit trenches, dreamed dreams of successful businesses they were going to have in this country, or dreamed about the farms they were going to operate. But when they come back and see the rise in the cost of living, and the increased prices of materials which would be necessary to set them up in business or to operate their farms, they are becoming cynical and discouraged, and in some instances dispirited, because they find that their gratuities and their reestablishment credits do not go nearly as far as they had dreamed they would. Had they been warned that we would have inflation to this extent, the situation might have been different. But many of them came back, expecting in good faith that every dollar they received during their service would be worth a dollar in 1947. Today they are finding that is not so.

Many times we have heard in the house about the tremendous increase in the cost of building houses, in the cost of farm machinery, and so on. All those things are affecting directly, day by day, all the war veterans in this country. And taking all these things together, I do not see how we in this parliament, we, who were in a position to enhance our own remuneration without having to feel too keenly the effects of inflation, can advocate that controls be now lifted so that the law of supply and demand may take its course.

Surely those who talk about that law of supply and demand must realize that for every law that there is in that so-called law of supply and demand, there are thousands of economic lawyers who are ready to destroy it. Those who profess to believe in capitalism must admit that the objective of capitalism is not that of free competitive enterprise. It is to prevent as much as possible free competitive enterprise, in order to corner goods or prices in one's own particular field.

Mr. FULTON: What dictionary did you get that out of? Where did the hon. member find that definition of capitalism?

Mr ZAPLITNY: Surely members of parliament do not have to speak in terms of dictionary definition in this house. If we have not learned anything in our lives from practical experience and common sense, definitions will do us no good. If the hon. member disagrees with my definition of capitalism I shall be happy if he has in his own mind a definition that suits him. He has only to read the McGregor report on monopolies and cartels and a lot of other documents along the same line to find out that what I am saying is perfectly correct. I think the mistake that we would be making if we attempted to depend on the law of supply and demand would be to assume that all people under that mythical law would have the same opportunity to take advantage of the law of supply and demand. But that is not so and in this country it never has been so. There may have been a time when free competitive enterprise existed and worked. If there was, it was for a brief period after the fall of feudalism. But so far as the economic system of this country is concerned, there has always been a tendency for those who have economic power to destroy competition and do away with free enterprise and, instead, build up monopolies. I am not saying that this is an immoral urge because, under the system under which we live, it is the proper thing to do. It is the very essence of capitalism to do away with your competitor. That makes you what they call a successful businessman, one who has succeeded in pushing other businessmen out of his field entirely.

An hon. MEMBER: Are you a success?

Mr. ZAPLITNY: If success were to be judged by the dollars I have accumulated I do not suppose I could be called successful. But I have always taken the view that there are other things in life besides dollars and cents.

I think the choice we shall have to make is between stabilization and profiteering. The government is trying to steer a course, and truly it is a wondrous course, between those two points of view. Either we can have a system under which the law of supply and demand shall have full sway, as the Progressive Conservative party advocates, in which all persons will be thrown on the competitive market and the stronger ones win, those who are in a position to profiteer will do so and the others pay the shot, or we can have stabilization. But we cannot have both. The government will, I believe, find it increasingly necessary to establish stabilization if we are to have peace and prosperity in this country and realize the dreams we dreamed of during the war of the new social order which the Prime Minister (Mr. Mackenzie King) loved to talk about and which he warned us must be on its way before the war was over, that new social order that we continually heard about over the radio all during the war. The government will find themselves compelled to pull themselves away from the point of view expressed by my Progressive Conservative friends, even though they hold that point of view sincerely and with the best of intentions, because it was that same philosophy and point of view which flung the ship of state on the rocks in the dark thirties, and the same philosophy will again land us in the same place.

There are those who say that if controls were taken off we would have tremendous production and that inflation would be defeated because of the great production we would have, which would do away with the necessity for having any control. But let me quote from the report of the wartime prices and trade board for 1946, where at page 45 I find this:

It was hoped that these adjustments—

That is, adjustments in the prices on furniture.

—would promote increased production of lower price lines which had been disappearing from the market . . . By the end of the year, the total supply of household furniture had improved substantially. There was, however, a lack of balance in the supply since higher-priced lines were quite plentiful and lower-priced lines were often scarce or unobtainable.

Those who talk about production being increased through the removal of controls do not realize that those who are in the business of making profits are not interested primarily in production. Their interest primarily is in profits and they will produce those things on which they make the most profit, regardless of whether it is the type of things that are essential or whether they

are what the people want at that moment. They will even go to the extent of restricting production to keep their prices up.

The other day, as the hon. member for Lake Centre (Mr. Diefenbaker) was making one of his usual good speeches and telling us that he was against the state going in for trade and against the powers the government was asking for, I picked up the Ottawa *Journal* and there saw a picture of a mountain of potatoes, several thousand bushels of them in the state of Maine being dumped because they were surplus production. While I was reading the news item accompanying the picture, the hon. member for Lake Centre was quoting the price of potatoes in Chicago at $2.70 a bushel. Surely that shows a weakness in the private enterprise system which my Progressive Conservative friends believe would be a cure-all. Here was a case where thousands and thousands of bushels of potatoes were being dumped, destroyed so that no one could make use of them, at the very time when food was urgently and desperately needed all across the world.

Mr. FRASER: That was done by the United States government, was it not?

Mr. ZAPLITNY: It is a good capitalist government, the kind of government my hon. friend would have in Canada if he had his way. I do not care whether it was done by the government or by anyone else. I say that the destruction of food at this time when people are dying of starvation in Asia and in parts of Europe is immoral, un-Christian and everything else I could think of to call it.

When hon. gentlemen talk about free enterprise it is time that they realized, as the hon. member for Quebec South (Mr. Power) indicated last night, that however terrible they may consider government control, there is also such a thing as private control. Those who talk of free enterprise seem to think that if all government controls were removed we would have perfect freedom of enterprise in this country. Nothing could be farther from the truth. Under our capitalist system there is and always will be control of prices. Prices do not set themselves. In spite of all the talk of the law of supply and demand, someone is in control of the things we buy and sell, and we must take our choice between providing, through our elected representatives, democratic controls so that prices will have a fair relationship to one another and all classes of the people shall have all the freedom they want in carrying on their livelihood, provided that they do not encroach upon that of somebody else, and have stabilization of prices and the cost of living; and, on the other hand, taking the lid off, as our Progressive Conservative friends would like us to do and have their mythical free enterprise, which actually would mean handing over our economy to those concerns which, during the hungry thirties, destroyed not only potatoes but wheat and coffee and live stock, which they burned or dumped over the cliff into the ocean in order to keep prices up. Those are the powers I am afraid of. Those are the powers which the hon. member for Lake Centre did not mention in his speech. He only shakes his finger at the government and says they are asking for very wide powers. Who else should have the power if not hon. members who are elected by the people? Surely, if we believe in democracy, then we believe in giving power with responsibility. What the hon. member wants, what the Progressive Conservatives want, is power without responsibility. They want to give power to du Pont, to the big corporations, to the International Nickel Company, to Falconbridge, so that they can manufacture nickel for the enemy.

Mr. SKEY: On a point of order, the statements the hon. member is making are completely false.

Mr. ZAPLITNY: Some hon. member said something about its being a speech from the backwoods. I wish to remind him that some of the finest people in the country live in the backwoods.

The ACTING SPEAKER (Mr. Golding): I must remind the hon. member that his time has expired.

Mr. GRAYDON: And also the patience of the country.

Mr. DONALD M. FLEMING (Eglinton): Last night the Minister of Justice (Mr. Ilsley) concluded his remarks by asking that the house defer debate until second reading of the bill. He said:

> I suggest, Mr. Speaker, that the discussion in this house of the proposed measure take place as far as possible on the second reading of the bill rather than on this resolution.

That suggestion seemed to be a reasonable one. It was accepted and concurred in by my leader; but, as indicated by the leader of the Social Credit group (Mr. Low) this afternoon, the suggestion was not adhered to by others. In view of some of the things that have been said, notably the remarks last night of the hon. member for Rosetown-Biggar (Mr. Coldwell), it has become necessary that the position should be clarified with what I hope will be a brief statement on behalf of the Progressive Conservative party.

Stripped of all its socialist jingo and propaganda, if anything then remains of the speech of the hon. member for Rosetown-Biggar, it would be reduced to this, that he exposed in naked reality the fact that the essence of the socialist position taken here by the C.C.F. party is, first, they want controls; second, they want them to be permanent; third, they want centralization of power in Ottawa and, fourth, they want these things even if necessarily, and it would be necessarily, at the price of freedom itself.

Mr. KNOWLES: What page is the hon. member quoting from?

Mr. FLEMING: I certainly am not quoting from the hon. member for Winnipeg North Centre (Mr. Knowles).

Last night the hon. member for Rosetown-Biggar had something to say on what now passes from C.C.F. lips under the euphonious phrase of "democratic planning". Actually it means socialistic planning. There was a time when the socialist party, the C.C.F., were a little more frank with their expressions than they are today. There was a time when they called by its true name the kind of planning that they are now calling by this euphonious title "democratic planning." They called it "socialist planning" in their Regina manifesto, the C.C.F. bible. And socialistic planning it is. That is precisely what the C.C.F. are calling for, socialism; and they have seen this, if they have seen nothing else, that between socialism and continued perpetuation of controls there is a bond of union which demonstrates that controls are of the essence of socialism. You could not have socialism without a network of controls. They are of the essence of socialism. Socialism does not work without controls imposed by those who think they are doing the planning, regulation and regimentation of the lives of the people.

Of what does this planning consist? Hon. members who espouse the cause of socialism keep parroting away about its being done in parliament. We who have sat in this parliament during the past two years know very well that the planning, where it is being done, is not done in parliament or by parliament. It is done by those who derive their power at the expense of parliament. Do you know, Mr. Speaker, that this whole system of controls was built up during the war on one basis and one basis only, and that is by taking power from parliament, from the elected representatives of the people and vesting it in a group of people whom we call the cabinet, who then proceeded to delegate it to controllers. That is the way the planning was worked out, planning through controls, and that is the method by which socialism would be enforced in this country. It is perfectly idle for anybody to expect serious-minded people to believe that planning would be done in parliament. The kind of planning that our socialist friends want is the planning that would be done in the way in which it has been done in recent years, by taking power from parliament and putting it in the hands of a group of people outside parliament and usually beyond the control of parliament.

Mr. JAQUES: Outside Canada.

Mr. FLEMING: The fact of the matter is that control in this country and the power of parliament have moved in opposite directions. The more control there has been, the less power has parliament enjoyed. We who came here under the Progressive Conservative banner in 1945 were determined that we would fight to the limit for one thing, namely the restoration of the supremacy of parliament over the executive branch of government. That is why we come into headlong conflict with our socialist friends. It is not that we are advocating the abolition of all controls but because the method that they are advocating is a method which, if pressed to its logical conclusion, means the death-knell of parliament; it means the death-knell of our democratic parliamentary institutions. They may not realize it. It may be that they have not seen very far; it may be that they have not pursued this matter to its logical conclusion. The fact of the matter is—and we have seen it with our own eyes—

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

Mr. FLEMING: —the farther control proceeds the farther the power of parliament recedes. If the hon. member will come back a little later I shall endeavour to accommodate him.

Mr. KNOWLES: I was going to ask him how he voted in the wheat board issue.

Mr. FLEMING: The hon. member can get the information by consulting *Hansard* without taking up my time. In the house last night the socialist leader worked himself up into quite a lather protesting against what he called the policy of headlong decontrol. That is a curious description to apply to government policy. We thought it had not been moving very fast in the direction of decontrol, but let us take it on the basis on which the hon. member for Rosetown-Biggar put it. He objects to decontrol. He cannot have it both ways. I shall have something more to say later about that expression he used. He will

therefore insist, if he intends to be consistent, that parliament return to these boards any powers that these boards have given up; also that parliament may confer new powers on them. If he is to be consistent he must go that length and he also must accept the things which have gone with this bureaucracy; one of them has been secrecy, the difficulty of obtaining on the floor of the house essential information that should not be denied to the elected representatives of the people in parliament. That is the sort of thing the hon. member for Rosetown-Biggar is, in effect, advocating, whether he realizes it or not.

Mr. KNOWLES: Nonsense.

Mr. FLEMING: I am glad to see that the hon. member is at least following what I am saying even if he may not understand it.

Mr. KNOWLES: Nobody could.

Mr. FLEMING: As long as we have government by bureaucracy we shall have the same excuses that have been resorted to by the government in recent years. When we have asked for essential information we have been told that it is not in the public interest to give it. That has been the stock answer given to parliament. Now the fact is inescapable, and the lessons of history are plain for all to read, the way in which all totalitarian systems began was precisely by the method advocated and espoused by the hon. member for Rosetown-Biggar. I would not say that the hon. member is himself an admitted or an avowed exponent of totalitarianism. What I do say is that unfortunately the hon. member for Rosetown-Biggar has not seen that what he is advocating will lead inevitably to totalitarianism, if pressed to its logical conclusion. It cannot do otherwise. That is the way it began in Russia: a moderate government to begin with, having a leaning to socialism, but it did not last long. It gave way to an out-and-out communist government. What happened in Italy? They did not come to fascism at one jump, but they got there in the end. The same with Germany.

Mr. NICHOLSON: Does the hon. member make any distinction between those countries?

Mr. FLEMING: I do not know whether the hon. member would understand it if I tried to make it.

Mr. NICHOLSON: Well, do you?

Mr. FLEMING: The fact is that his own leader cannot appreciate that the line along which he is leading the hon. member who just asked the question is the line that will take him where Russia went in 1917, where Germany went in 1934 and where Italy went in the twenties.

It is unfortunate that the hon. member does not realize it, but the fact is that what he is advocating would lead eventually to that length. Apparently the hon. member does not realize that is the road which he is advocating should be taken. I do not suggest that he advocates communism at one jump. No. But he has not seen nor has his leader seen that the things they are advocating, when pressed to their logical conclusion, will lead eventually to despotism, because despotism is the essence of the system they are advocating.

Mr. KNOWLES: That is nonsense. The hon. member knows better.

Mr. FLEMING: Under that system would come the restriction of the powers of parliament. The system which they would foist upon the people of the country is one that would result in a contraction of the powers of parliament. It is built upon that principle.

Mr. KNOWLES: Does the hon. member really believe that?

Mr. FLEMING: It is also of the essence of the system which these hon. members are advocating, that it should be based upon centralization of power at Ottawa. I hope the members of this house have begun to realize that, next to the common sense of the people themselves, confederation is the strongest bulwark we have in this country against socialism, and that is the reason why the socialist party in this house is continually advocating policies that would mean the centralization of power in the hands of a bureaucracy at Ottawa, at the expense of confederation and at the expense of the provinces.

The two things go together, socialism and centralization. These are the twins that the socialist party has adopted. We shall not forget, I trust, the ready way in which the socialist party rallied to the support of the government last year when they resorted to a method of amendment of the British North America Act, which we of this party said was fraught with the utmost danger and would open the way to depriving minorities of their guarantees under the constitution. The policy that Lapointe preached, Lapointe whom hon. members opposite claim to follow, whose titles they possess, but not his principles—

Mr. MARTIN: And whom you did all you could to persecute.

Mr. FLEMING: —and who advocated that this constitution should never be amended in

that way without consultation with the provinces; the policy of Lapointe, who warned against treating our constitution as a scrap of paper, is forgotten. I remember his words when he warned this country and parliament against treating confederation, the constitution, as "un chiffon de papier." Hon. members, the socialist members of the house, are quite prepared, in their desire to see socialism foisted on the country, to see these powers taken from the provinces under the guise of an emergency and vested here. And well we know that the vesting of these powers here, the permanent continuation of these emergency powers in Ottawa, means that the freedom of the people of this country would be strangled by a perpetual bureaucracy.

The hon. member for Rosetown-Biggar last night used an expression which I should like to refer to now: "You cannot have it both ways." That is one remark in his speech with which I am in complete agreement. You cannot have it both ways. Amid all the contradictions in that speech, and in C.C.F. statements and policies, it is interesting to hear the leader of the C.C.F. using an expression like that. I might liken it, when he is directing it to the government, to the pot calling the kettle black.

What is the essence of it, this matter of not having it both ways? It means, Mr. Speaker, that when the C.C.F. party deplore the decontrol that has proceeded thus far they are deploring the end of wage control. It means that they are deploring the end of salary control, because those are two important steps, belated steps, taken in the direction of decontrol. They were taken only on November 30 of last year.

Now the leader of the C.C.F. cannot have his cake and eat it. He cannot have it both ways, and in protesting against the decontrol that has proceeded thus far he is telling the government that it must go back and reimpose wage control and salary control. There is no escape from that. He knows perfectly well, and his own followers have admitted it, that you cannot have a system of widespread price control without control of wages and salaries. Let him rise in his place, or let any follower of his rise in his place in this house today and say frankly that he advocates the reimposition of wage controls and salary controls. Let him be consistent and frank and say that. He will not dare to. There is not a member of the socialist party in this house who will today rise in his place and say frankly and honestly that he advocates the reimposition of wage control and salary control.

We have witnessed a very good example of double-talk. You cannot have it both ways. Of course you cannot. You cannot have price control on a widespread basis without salary and wage control.

Mr. GRAYDON: They are glued to their seats.

Mr. FLEMING: Yes, and their tongues are glued to the roofs of their mouths for once.

Mr. KNOWLES: If you want an answer you will get it.

Mr. GRAYDON: Make it fast.

Mr. FLEMING: The C.C.F., now in 1947, nearly two years after the conclusion of hostilities, stand for the reimposition of wage and salary controls. In time of peace, that is inviting the workmen of the country to accept serfdom, and the C.C.F. are the people who are advocating it, advocating the submission of the workmen of the country to serfdom. They pose—and what a pose it is—as the friends of labour. Let these pretending friends of labour shake off the cloak they are travelling under today and tell this house frankly that they are in favour of the reimposition of wage control. They cannot have it both ways.

Some tears were shed by an hon. member, one of the socialist members, on behalf of the white-collar workers of the country. Well, I should like to see that hon. member, instead of trying to have it both ways, be frank and consistent and say that what he is advocating means the reimposition of salary controls. The class who suffered most in the country during the war was, I believe, the white-collar class, the people ground between the upper and the nether millstones—on the one hand, high taxes and rising cost of living and, on the other, fixed salary ceilings without any escape from them. The hon. member for Dauphin apparently wants to put the white-collar workers of the country back in that straitjacket. There is a fine sample of socialist regimentation.

Of course hon. members will recall that he had something to say on behalf of the people who are living on fixed incomes and the people who are drawing interest. It is strange that he did not choke on those words. I have before me this Regina manifesto of the C.C.F. It probably has been forgotten by hon. members of the C.C.F., but we have in this strange document this sentence:

> The C.C.F. proposes that in future no public financing shall be permitted which facilitates the perpetuation of the parasitic interest-receiving class.

These crocodile tears that were shed this afternoon on behalf of the interest-receiving class are on behalf of the people who are described by the C.C.F. in its official mani-

festo as the "parasitic interest-receiving class". That is the fine type of championing the C.C.F. want to do for those whom in 1934 they called the parasitic interest-receiving class. Nor will it be forgotten that the hon. member for Cape Breton South (Mr. Gillis) in this house during the term of this present parliament, on October 5, 1945, had something to say on this same theme. He was not concerned then about the people of fixed income, the people who were dependent upon interest for a livelihood. You will find that on page 821 of *Hansard* of the second session of 1945 he said:

> . . . when the war is over, the debt should be cancelled. There is no reason why when they come back and go into overalls, into plants and factories, they should start to pay tribute by way of interest to people who sat back comfortably and secure and invested their money. The national debt, apart from the interest, we owe to ourselves. It is not a liability, but an asset.

And so on. He was asked further questions and he came out with the remarkable statement that these people who had invested money in government bonds in time of war should not be paid their interest because that meant paying tribute to unworthy people Let us have no more of this nonsensical shedding of crocodile tears that we have had here this afternoon, in this amazing exhibition on the part of the C.C.F.

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

Mr. GRAYDON: They asked for it, and they have got it.

Mr. FLEMING: I do not pretend that my hon. friend has liked what I have said, and I do not pretend that he will like the rest of what I have to say.

Mr. Speaker, the same hon. gentleman who was shedding tears profusely here this afternoon said something on behalf of old age pensioners. I hope before long the government will bring us face to face with an opportunity to put old age pensions on a proper statutory basis. But what is essentially involved in the contention this afternoon and last night by the leader of the C.C.F., is that they want to see a part of the old age pension continued simply on the basis of order in council, where it rests on the whim of the cabinet—a fine state of affairs.

Mr. KNOWLES: That is completely untrue.

Mr. FLEMING: I say that it is the duty of this house not to expose any person on the old age pension to the whim of the government, through an order in council. It is something that this parliament should take responsibility for and should put into effect.

Mr. KNOWLES: I rise to a question of privilege. No one has risen more times in this house this year than I have—

Mr. GRAYDON: There is no privilege there.

Mr. SPEAKER: Order. Is the hon. member speaking to a point of order or a question of privilege?

Mr. KNOWLES: On a question of privilege, Mr. Speaker. The hon. member is saying that we of this party want the old age pension continued on the order in council basis. From time to time, and no later than yesterday, I have asked that the act be brought in.

Mr. GRAYDON: What the hon. member's party believes in is not a question of privilege in the House of Commons.

Mr. FLEMING: What the socialist party believes in does not even make sense.

Mr. KNOWLES: There is such a thing as sticking to the facts.

Mr. FLEMING: It is too bad that the hon. member does not know how to do that.

Then there were some more remarks made last night by the leader of the C.C.F. on the subject of the big interests. The hon. member for Rosetown-Biggar exhibits an amazing acquaintance with what he says are the views of big interests. As a matter of fact, he displays more familiarity with them than I am sure any other hon. member could possibly hope to command. The fact of the matter is, although he did not tell the house so last night, that many of the big interests like controls. Why? A good many of the big businesses prospered under them during the war. In the second place, controls gave them guaranteed markets and relieved them of a good deal of competition which would otherwise have arisen from small businesses. The fact is incontrovertible and inescapable that the continued imposition of controls in this country is favouring big business and is penalizing small business.

Mr. ILSLEY: Nonsense. I will say "nonsense" now.

Mr. KNOWLES: You are right there.

Mr. FLEMING: It satisfies me, Mr. Speaker, when the Minister of Justice (Mr. Ilsley) makes the remark that he made. He might as well be frank and admit that he sees essentially eye to eye with the C.C.F. on this question.

The hon. member this afternoon was shedding more crocodile tears about those who were coming back from overseas and were unable to start in business just as easily as they would have liked. The lot of many a returned man coming back to this country has been that he has been prevented by controls from setting himself up in a small business.

Mr. ILSLEY: Not at all.

Mr. ROSS (Souris): That fact has been brought to the attention of the minister more than once.

Mr. ILSLEY: Not at all. It has been prevented by shortages.

Mr. FLEMING: When the hon. member for Rosetown-Biggar was pillorying the so-called big interests, what an amazing exhibition we beheld, Mr. Speaker, in the south half of the government side of the chamber! When the hon. member drew attention to the fact that the present Minister of Reconstruction and Supply (Mr. Howe) had given way to some of these big interests in September, 1939, they applauded him in his indictment of the present Minister of Reconstruction and Supply. That was the essence of the speech made by the hon. member and it was applauded more vigorously by those members in the south half of the chamber to your right, Mr. Speaker, than it was by the socialist members themselves.

Mr. CRUICKSHANK: Where is the dividing line for the south half?

Mr. ROSS (Souris): The hon. member for Fraser Valley.

Mr. GRAYDON: The hon. member is on the border line.

Mr. SPEAKER: Order.

Mr. FLEMING: I think the hon. member for Fraser Valley sits just about at the apex of the great divide.

We heard last night from the hon. member for Rosetown-Biggar the usual jingo line with regard to monopolies. His solution for the problem of monopoly in this country today was what? It was the imposition of the biggest monopoly that ever man's mind could conceive, a super state-monopoly. We of the Progressive Conservative party do not believe that is the solution. We do not like monopolies and we believe that monopoly cannot be permitted under a system of free enterprise. We believe in free enterprise, not monopoly; but monopoly is not to be cured by the creation of a super state-monopoly which the C.C.F. would create in this country.

Mr. GRAYDON: Two wrongs do not make a right.

Mr. FLEMING: And two two's do not make four to the C.C.F.

Mr. KNOWLES: What is your cure?

Mr. FLEMING: Mr. Speaker, we would see proper application of the Combines Investigation Act. I think it is high time that we had an end of this shilly-shallying on the part of the C.C.F. in speaking of combines and monopolies. Where they have any information concerning a monopoly, surely it is their minimum duty as citizens to go to the authorities and swear out an information, lay a charge under the Combines Investigation Act. But they do not want to do that. That would deprive them of one of their big talking points. They prefer to take up time in this house creating these bogeys about monopolies and combines, but not taking the effective means which exist today for bringing these monopolies and combines, where they exist, to book. Let us have a little wholesome sincerity and honesty and frankness in this matter. If the leader of the C.C.F. or any other member of that party has any knowledge of combines and monopolies, then let him go to the authorities and lay his charge under the Combines Investigation Act. Thanks to the leadership given in this matter by the Progressive Conservative party at the session last year, there were made to the Combines Investigation Act amendments under which it is possible for any citizen to lay such a charge. If the hon. member for Rosetown-Biggar has a sense of citizenship sufficient to make him want to see something effective done by the law officers of the crown in the administration of law in this country to bring combines to book if he finds such combines, let him take that simple course. Let him go to the authorities and swear out an information, or at least let him give his information to the Minister of Justice (Mr. Ilsley). He needs information.

Mr. KNOWLES: Where do you stand on controls?

Mr. FLEMING: I admire the hon. member's impatience; it is a pleasure to see him roused into doing something. At page 1583 of *Hansard* for yesterday, the Minister of Justice had this to say on this subject:

> Only the extreme nature of the emergency with which the country was faced justified the vesting of such powers in the executive . . .

He was referring to these sweeping powers vested in the executive to control almost

everything in the country. By parity of reasoning I suggest that it is only by reason of the existence of an extreme emergency that the continuance of such powers can be justified. The emergency does exist in certain fields; of course it does. Accordingly certain controls will need to be continued as long as the extreme nature of the emergency continues, to use the words of the minister. But it is high time we did away with a lot of these controls that do not come under that definition, and it is about time we had some regard—the government, especially, and those whom they have placed in charge of the administration of controls—for the essential relationship of this problem to the problem of production. Times without number we have heard from the government that the danger existing today, the danger against which they require these extraordinary powers from parliament, is the danger of inflation. There is no great secret as to how this danger of inflation arises. It is created by the lack of goods in proportion to the available consuming and purchasing power. How are we to arrive at a solution of this problem? The C.C.F. really do not want the problem solved; they want the controls continued. Anything that points to the existence of an emergency lends weight to their argument that controls should continue. They are not interested in seeing the end of emergent conditions; as a matter of fact they do not see the difference between emergent conditions and conditions that are not emergent. They want the controls to continue permanently. Surely, however, it is high time we gave a great deal more regard in this country and in this parliament to measures that will have the effect of increasing and encouraging production rather than those simply concerned with the rationing of scarcity. We need to do a great deal at this session of the house in the direction of encouraging production, and one means that must be put into effect, before this house concludes this session, is a substantial and material reduction in taxation.

Mr. Speaker, I have time to add just one word in conclusion. At the appropriate stage we shall have more to say concerning our views on specific orders contained in this volume which I have no doubt will go down in history as the Heinz bill. We do not have anyone in this house by the name of Heinz; but I believe this bill, with its fifty-seven orders in council, all different, is likely to go down in history as the Heinz or pickle bill. We are confronted at the present time with a curious situation. We of the Progressive Conservative party, the official opposition, have done our best to contribute to an orderly approach to a review of this problem. Last night the Minister of Justice asked that we defer discussion of the resolution; I took his suggestion to mean that we might seek information in committee, but that we reserve our principal contributions to the debate until second reading of the bill is moved. I wish to make it perfectly clear that, in doing what we have done in trying to assist the minister, we have made the only contribution that lay within our power to bring order out of the chaos that has been created by the procedure the government has followed. By bulking all these measures in one bill—a whole session's legislation, as was pointed out last evening by the hon. member for Quebec South (Mr. Power)—it is going to be difficult to carry on an intelligent discussion of the various measures. It will be difficult to carry on any successful questioning in committee of the ministers concerned with these resolutions, when you have fifty-seven different measures all rolled into one. But that is the way the government has chosen. It is an awkward method, just about as chaotic as anything could be; but then what could we expect?

Mr. ILSLEY: Could you suggest a better method?

Mr. FLEMING: Yes, I could suggest about fifty-seven methods that would be better than this.

Mr. ILSLEY: Well, name one.

Mr. FLEMING: One would have been to introduce separate bills.

Mr. ILSLEY: Thank you very much.

Mr. FLEMING: To follow the statement made last evening by the minister, another method would have been to break down the fifty-seven varieties into three categories. He said there were orders which were regulative, orders which were administrative and orders which were legislative. At least he might have tried to break down his bill into three bills, which would have reduced the chaos somewhat.

Mr. ILSLEY: Would it?

Mr. FLEMING: I do not think it could have failed to do so, when there will be so much chaos as it is. The blank cheque being asked by the government in the matter of the consideration of this resolution and the bill to follow is not something new on the part of this government. I should think it will be difficult for anyone to discuss the principle of a bill having attached to it a whole volume of legislation, but that is the way the government has chosen to proceed, perhaps to con-

fuse the house. The fact of the matter, as my leader said last evening, is that we had hoped we might help to clear way as much chaos as possible in trying to devise an orderly method of considering this measure, or rather these fifty-seven varieties of measures, in the house and later in committee. That objective was defeated, largely by the speech of the hon. member for Rosetown-Biggar, who certainly did not contribute anything to the clarification of the issues or the simplification of the procedure.

Mr. KNOWLES: He made our position clear, which is more than you have done.

Mr. FLEMING: However, Mr. Speaker, I think we have made our position clear on this and other occasions. Having regard to the emergency which exists in relation to certain of these measures, of which perhaps rental control is the best example, there will have to be a continuation of some controls as long as particular emergencies last. But as to those measures which cannot be justified by what the minister has called the extreme nature of the emergency, they should go. We are not prepared to just take everything holus-bolus, to swallow everything whole, as one would have to in order to accept legislation like this. We shall try to be soundly discerning and discriminating, as is the duty of all hon. members, when we come to scrutinize these measures in detail.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I had not intended to participate in this debate, but the remarks of the hon. member for Dauphin (Mr. Zaplitny) regarding the report of the Alberta government social credit board, published in the Toronto *Globe and Mail,* make me feel that the people throughout Canada and the world who will read *Hansard* have a right to know what is in that press report. Therefore I should like to have the privilege of reading it into *Hansard,* so that everyone may know just how bad or good it is. The article appears in the March 21 issue of the Toronto *Globe and Mail,* at the bottom of page 1. It is headed "End present political parties, Alberta social credit urges." And then follows:

> Edmonton, March 20 (CP).—The annual report of the Alberta government's social credit board, released today, urges "abolition of political parties dominated at the top as we know them today" and establishment of "unions of voters" which would control the actions of their elected representatives.
>
> The board criticized the secret ballot and recommended its abolition in certain circumstances. All the board's recommendations are qualified with some such as abolition of the secret ballot based on establishment of a new economic system.
>
> The board is composed of four members of the legislature—A. V. Bourcier, Lac Ste. Anne, chairman; N. B. James, Edmonton, secretary; William Tomyn, Willingdon; and F. M. Baker, Clover Bar.
>
> The report said the secret ballot enables a citizen to evade responsibilities for his actions, adding when he votes for a candidate of a political party, he is also voting for the party platform. The secret ballot, the report continued, gives the voter the opportunity to condemn later the actions of the government for which he voted.
>
> "The political party system makes it very difficult for the people to exercise their democratic privileges and assume their personal responsibility, even if they were so inclined," the report said.
>
> The board reported "the obvious remedy for the evils of party politics is the abolition of political parties dominated at the top as we know them today," and adds "in Canada we have never had an unfettered parliament subservient to the will of the people."

I think it is only just that the whole of the ugly truth should be placed on *Hansard,* so that each person can form his own opinion. I believe it would be well to comment briefly on one or two matters in this report, so as to help everybody to understand the point of view of the people who made this recommendation.

First, let me point out that the social credit board is only a special committee appointed by the Alberta legislature to examine into and make a report respecting certain problems. It does not indicate that the government has accepted the report, that the cabinet has accepted it, or that the social credit league in Alberta or throughout Canada would accept it. It is merely a report and recommendation, probably purely philosophic and scientific and perhaps not to be adopted for a good long time if ever into the actual and practical political activities of the country.

In the first paragraph hon. members will note that these words are quoted:

> "Abolition of political parties dominated at the top as we know them today."

The essential words are "dominated at the top as we know them today." I would probably be out of order in what I am now about to say if I were not discussing orders in council of the Minister of Finance (Mr. Abbott). But I will just call the attention of hon. members to the absolutely indefensible policy which has obtained in Canada in respect of beet sugar production during the war. And I will ask hon. members to tell me whether they think the Liberal government which has been in power, and has been administering that policy, has been free to do the thing it thought best, in the interests of Canada, or whether it has been influenced by

certain bodies of people who perhaps contributed to the slush fund or election funds of the party which is in power. Without arguing as to whether or not what I have suggested is true, I believe this is an excellent illustration to show how utterly helpless the people of Canada would be in electing, election after election, parliaments made up of parties of men bound, to begin with, because of promises made long before the election was called.

The attitude of social crediters is that both of the old line parties in Canada—at least both the Liberals and the Progressive Conservatives—are bound before they ever enter an election and before they are ever voted on, making it utterly impossible for the people of Canada ever to obtain the kind of government they desire, a kind of government, in fact, which in many cases can oppose the interests of the people themselves.

Mr. FRASER: That is only your understanding of it.

Mr. BLACKMORE: All right. I am trying to give the people of Canada the conception held by the social credit league. But members of the Social Credit party are elected absolutely free and untrammelled.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: There is no doubt about it. Members of this party, from the time they came to the house, have been free. They have struck out boldly at the things they feel they ought to strike at.

Mr. CRUICKSHANK: They have not struck for home, though.

Mr. BLACKMORE: And no man in this parliament can gainsay that point. Certain people who would like to see reaction in this country for the next hundred years would like to see us go home; there is no doubt about that.

But the people of Alberta do not think that way. They think the time has come for a change which is the right kind of a change.

May I come now to the second paragraph which states:

> The board criticized the secret ballot and recommended its abolition in certain circumstances.

How widely different is that statement from what we were given to understand by the hon. member for Dauphin. It states:

> All the board's recommendations are qualified—

And how important is the word "qualified"—

> —with some such as abolition of the secret ballot based on establishment of a new economic system.

This indicates clearly that the board did not advocate the abolition of a secret ballot until a new economic system is established, under which there would be a different kind of voting, such as that to which the hon. member for Peace River (Mr. Low) referred in his speech this afternoon. I think what I have said will probably help people to understand better the meaning of that paragraph.

I now comment briefly on the fifth paragraph which states:

> "The political party system makes it very difficult for the people to exercise their democratic privileges and assume their personal responsibility, even if they were so inclined," the report said.

I believe what I have said with regard to the sugar situation is probably sufficient comment on that paragraph.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, before the house took recess at six o'clock I was referring to certain remarks made by the hon. member for Dauphin (Mr. Zaplitny) this afternoon in which he had done the Social Credit group in this house a favour by drawing our attention to a Canadian Press dispatch from Edmonton in the Toronto *Globe and Mail* of today to the effect that the Alberta social credit board had submitted a report in which they recommended some measure of discontinuance of the use of the secret ballot and the abolition of political parties dominated at the top.

Mr. SPEAKER: I am sorry to interrupt the hon. member. I did not want to do so before six o'clock, but it is my duty to call his attention to the fact that he should discuss only the principle of the resolution which is before the house, which is to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. I would ask the hon. member to resume his remarks on the principle of the resolution.

Mr. BLACKMORE: I am glad, Mr. Speaker, that you have drawn our attention to that fact. The hon. member for Eglinton (Mr. Fleming) spent his whole time on this kind of thing, but apparently the Chair did not notice it. A good deal of time was taken up on this sort of thing this afternoon and therefore I thought I would be in order if I referred to it, but if it is your desire, Mr. Speaker,

I shall certainly refrain from discussion along the lines followed by other members this afternoon.

I think, however, it will be in order for me to make this suggestion to the house. If the house goes on as it has done for the last several days in discussing measures which are designed to give the government an extension of its extraordinary powers we shall be discussing this matter until the middle of the summer.

Mr. REID: Until Christmas.

Mr. BLACKMORE: And the very members of the C.C.F. and Progressive Conservative parties who are rising in their places and using the time of this house in great gulps in discussing this measure will be whining in the middle of the summer because the government did not bring in its important measures early enough to give time for their consideration. I think it is fitting that somebody in the house should point that out.

Just as an illustration of what these gentlemen can do: I sat in this house for two years, in each of which a special war appropriation measure was under discussion, and in one of those years the members of this house spent seven solid weeks in discussing the war appropriation. All that prolonged discussion did not alter the size of the appropriation by a single cent. I fail to see any good that was accomplished by all that discussion. In Britain they passed the whole thing in four days. But here, after we had spent seven solid weeks in discussing the special war appropriation measure, we did not have time to discuss vital measures which should have been considered with great care by the members of this house. Now again we are going on in exactly the same way, except that the measure before us is for the purpose of extending the government's emergency powers, an extension which I think every hon. member agrees the government ought to have in order to be able to bring about decontrol in an orderly manner. It is a measure which probably we shall not modify to a degree worth considering as a result of all our talk, but as a result of the talk great and important measures which should be before the house will be brought down too late in the session for consideration as they were last year and in years before.

Some hon. MEMBERS: Hear, hear.

Mr. BLACKMORE: Mr. Speaker, the members of this Social Credit group have refrained entirely from entering into this discussion; we have not spent any time to speak of upon it; I draw your attention to that fact. Tonight I chose to use a little time because I thought the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell) last night and the remarks of the hon. member for Dauphin this afternoon called for an answer from this group. And let me say that this group is perfectly ready to answer and will answer with complete effectiveness whenever called upon to do so. Having said that much, I shall refer only briefly to the question of controls.

Social credit, as the hon. member for Peace River (Mr. Low) pointed out this afternoon, favours the right kind of controls. There are two ways in which controls can be exercised by a government: one is by compulsion, and the other is by inducement. Social credit favours the use of inducement rather than compulsion. Social Credit favours measures of motivating control rather than measures of regimenting control. Such having been said, I think we have no further contribution to make at present to this debate. We are anxious to see this measure carried so that we can get on with the nation's business.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, first I wish to pay a special tribute to the former Minister of Finance, the present Minister of Justice (Mr. Ilsley) and the officers of his control board with whom I have had a great deal of correspondence during the war and since. I have always found the minister very attentive, patient and courteous with regard to any complaints made and I believe that he and his staff have carried out their duties with zeal and diligence in a difficult situation to the best of their ability. The situation with which they were faced was one in which business generally throughout Canada was upset by so great a war, and in addition we had problems in domestic and foreign affairs.

Coming now to the resolution, I believe that the discussion on the bill itself will be shortened by the statements which have been made by the minister and the various other speakers. I come from a large industrial city where we have been very much affected by the continuation now, for nearly two years after the war, of a vast control system. The Canadian people have, I believe, been long-suffering under these controls, but they have about reached the limit of their patience and I trust that the minister, when he tables the various orders in council, will give some further explanation of the necessity of these controls.

Business large and small in this country, as you know, Mr. Speaker, from your knowledge of your own great city, has been clamouring for freedom from so many controls. With the

overtaxation, overgovernment and the failure to eliminate some of these somewhat minor controls, the smaller businessmen are finding it very hard to continue. They are hamstrung and interfered with in the conduct of their business from the commercial aspect.

I do not wish to go into the matters which the hon. member for Quebec South (Mr. Power) dealt with so ably last night, but I wish to point out one or two things with regard to the policy of the government in domestic matters as I see it.

As I see it, the policy of the government in domestic matters since the war ended almost two years ago is menacing to anybody who wanted to see controls eliminated. So far as I see it, the balance of the controls are not placed on any definite settled principle. The government are operating with none of these principles to guide them after the 15th of May. They do not indicate what one can expect from the ministry to clear the way after May 15. The whole story at home is one of the greatest menaces that we have. What are these orders in council that are to be enforced until May 15? Once they have this system, they find it difficult to get away from it. Those who are in charge of the controls think that they are indispensable, that the country cannot get on without them. Unless price control is unified with wage control, it leads to inflation and no control at all.

Since the war closed, the board has been seeking to control every walk of life and almost every commodity, over parliament's head and without any responsible action by a minister of the crown to interfere with it. The minister never even sees the speeches. These officials just issue them over the heads of the ministers. The people of this country are long suffering, but there is a limit to their patience and it has now been overreached.

Since the war closed, the board has hamstrung almost every private business. It is interfering with those who are trying to conduct their business. As I see it, at the present time there is virtually no control on all kinds of bodies that are spending a great deal of money over the head of parliament. Every principle for which the British nation struggled in the old land since the seventeenth century has been surrendered to political caucuses. Parliament itself, which came into being to ensure that taxes shall be voted only by those who have to pay them, has become the institution through which those who do not pay them impose them on others.

I wish to emphasize to the house that the powers of legislation, even older than the right of taxpayers to determine the national expenditures, have been surrendered and, if we are to continue this sort of thing, the power of parliament will be gone forever. Whole spheres of activity involving the livelihood of every man, woman and child in this country have been removed from the jurisdiction of the law of parliament and reserved for the determination of tribunals, irresponsible, irremovable, governed by no control and subject to no appeal. I wish to object to that as I have done before. We are told that parliament is supreme. Why does it allow all this to go on and even pass the expenditures?

The story so far as I can see is this, that the government instead of lessening controls and giving the industrialists a freer hand, is retaining controls and adding to them. This reacts on the small business man. He has to make out reports and papers, and that all interferes with his business. Firms are hamstrung in their business, and it makes the task of true recovery most embarrassing and difficult. The doubts, uncertainties and fears which are being engendered in the minds of the small and large businessmen in the management of their industries great and small affects them adversely, with the heavy taxes and restraints. So far as private enterprise and private initiative are concerned, they have never had a chance in Canada since the war has ended. This condition of affairs is sapping the energy of many businessmen. The control system is becoming heavy and laborious on the people. So far as the businessman is concerned we have seen the result of all this on taxation. This country has squandered its natural resources for many years, so much so that we are heading for a financial disaster. With the heavy taxation, with the burden of debt on the people and all that kind of thing we have squandered our resources at a rapid pace, and generations yet unborn will be taxed for it all.

The ministry seems to be depending largely on some of the propaganda we have had not only over the radio but from the Gallup poll, which seems to be galloping very fast at the present time. I think it is all gallop and no poll. It reminds me of an uncontrollable racehorse I mentioned the other night.

So far as private initiative and private enterprise are concerned, they are the key to unlocking the door of all this reconversion; they are the key to the solution of the domestic problems. You have to see the cause and effect of it. In the proposed resolution the minister refers expressly to certain orders and regulations. "By their fruits ye shall know them" The resolution speaks for itself. The minister said that on the first

reading of the proposed bill he would table certain things and schedules of the controls left. I do not wish to deal in full with the list of controls. One of them relates to a serious matter, namely, housing and all that kind of thing. The other day, the successor to the minister tabled the orders in council which are to be read into this resolution. What was it? It had to do with people and soldiers who had purchased houses up to July, 1945. At that time very few men in the army were home. In the spring of 1945 the war with Germany ended and the war with Japan ended later on in the year. In my opinion, there were few soldiers home at that time. There was a very large army overseas. Since that time they have come home. That order in council should be amended to allow soldiers into the homes they bought down to the end of 1946.

The government has no inspection services of controlled housing in regard to this housing proposition to eliminate the undesirable tenant. Under the control system there is no inspection of these houses to find out who is profiteering. Many owners have lost their homes because they could not get into them. It is leading to confiscation of property because, under the control system, under the proposed extension of these emergency powers to May 15, and under the housing matter as it stands today—I refer to an order in council passed three weeks ago—the present state of the housing situation is largely responsible for the issue of that order in council—they have done nothing to relieve the situation. The controllers have never built a single house. It is simply imposing an intolerable burden on owners of property.

I come from a city where sixty-five per cent of the people used to own their own homes. Many of them are losing them today because they cannot get into them. They rent their property to a tenant. What does he do? I have seen some houses where the tenant is profiteering, and the landlord cannot get anything out of the house. Many of the property owners have undesirable tenants who put electric stoves in cupboards and place every man they can get into small rooms with great danger to the health of the people, and break all kinds of municipal by-laws. It is leading almost to confiscation of property and insurance policies are vitiated. Nobody wants to own property under the present state of controls and taxes and continued losses on the investment. If it tended to relieve the housing situation I would not object; if it helped to get soldiers houses I would not object, but it does not.

[Mr. Church.]

The government spent large sums of money on public buildings. They tore down a large number of temporary huts which cost over two and half million dollars, and which were built on the waterfront in Toronto. These huts could have been used for temporary housing, but that is not being done—except to a limited extent. The army buildings are not being used to aid the housing shortage, and builders cannot get materials.

The whole story at home is told in a very few words. Are we to continue this system which is no aid to real estate? With the burden of taxation, with the housing situation as it is, with the rate of interest and taxation going up—with all these things, does it alleviate the housing situation? No; it does not. It has retarded all private enterprise and private initiative and building construction and prevented housebuilding.

In conclusion, I wish to make this point. In the United States we find an example of the grave danger from inflation that was inherent in the emergency control legislation which it was found necessary to enact during the war, but a committee was set up in Washington and they went into the whole question of controls. They adopted there, Mr. Speaker, a principle which I sincerely hope will be recognized and put into practice in Canada, under the able auspices both of yourself and of the Speaker of the senate. I hope that a joint committee of both houses of parliament will be appointed in this country to deal with these matters along the lines followed in the United States. In Washington, President Truman and some of the leaders of both houses got together and, through the medium of their ways and means committee, they have endeavoured to solve this problem in connection with controls and to decide what controls should be left to emergency legislation. There they have brought in a valuable report which indicates the dangers that exist in further controls. The result of their inquiries is that in the United States they have wiped out all controls with the exception of one or two of a minor nature, and rent matters and evictions.

Controls accomplished a great deal of good in difficult stages of the war, but now that the war has been over for two years, I hope that something will be done to eliminate them here.

I should like to read two or three sentences from the Washington Truman report, because I think it would be well for us to heed them and the warnings. I quote:

Discussing the monetary problem, the committee on monetary relations declares that "the immediate danger in most countries is now one

of continued inflation. This danger must be countered." One cause of rising prices is too much money and too much government debt; another is too little production in the face of urgent needs. The report continues:

"To a considerable extent, the upward tendencies of prices are due to non-monetary causes, arising mainly from destruction and disorganization brought about by the war, such as the shortage of goods, deficient production, and the rising costs largely attributable to higher wages. Among the most essential tasks are an increase in the production of power, a general recovery in efficiency, and firm measures to avoid the vicious spiral of rising wages and prices. It should now be clear everywhere that until sufficient supplies become available, an attempt to improve the people's standard of living merely by raising money wages is doomed to failure, for it will simply lead to a rise in prices which will tend to imperil the integrity of national currencies."

But in many countries inflationary pressure is still largely the result of monetary causes in the form of large accumulations of purchasing power continually increased by deficit financing and a policy of excessively cheap money, which involves the monetization of debts and artificially increases the money valuation of capital assets.

Therefore, the first task is to arrest the increase in buying power by bringing budgets under control, so that no new notes need to be printed to fill the gap between expenditure and revenue. Government expenditure must be subject to a thorough overhauling so as to eliminate superfluities and prevent too large an administrative establishment from reacting unfavourably on the budget position and on the standard of living.

I hope that we shall soon see the end of this policy of controls, which has cost the country so much. Generations yet unborn will have to pay the colossal debt that has piled up during recent years. We cannot very well appraise the situation just now. No newspaper can size it up. Historians will have to deal with it in proper perspective twenty-five years from now, and only then will the Canadian people see to their full extent what the cause and effects have been from the economic and national points of view and so far as the interests of the taxpayers and of our small businessmen are concerned, by the price ceilings, and economic controls. It is too early to predict now what the effect will be, but there is a great deal of doubt in the minds of the people today and we who are assembled here as a parliament do not seem to be doing anything to remedy the situation.

Mr. A. P. COTE (Matapedia-Matane): Mr. Speaker, at the outset of my remarks I wish to say that, contrary to the views of the hon. member for Broadview (Mr. Church) and contrary also to those of the leader of the Social Credit party, I intend to speak as a Liberal and as a liberal with a small "l." It is needless, therefore, for me to state that I am in favour of controls, whether during the war or during the period of transition from war economy to peace economy; and I am in favour of controls, I may add, for an obvious reason, that controls have proven in this war that they were serving the population at large. They were serving the small fry's interest versus the bigwig's ambitions, with the result that the people were on a standard of living in accordance with their ways and means, whereas during the first world war the big profiteers enjoyed life while the ordinary citizen did not enjoy it at all.

But I must be frank and also say at once that I am certainly not in favour of controls for the reason that was given yesterday by the Minister of Justice (Mr. Ilsley) for continuing controls. The reason he gave will be found at page 1554 of *Hansard* of yesterday:

Great national interests are at stake in the sense that as an aftermath of the war the economic stability of the greatest national customer that this country has had in the past is endangered and it is in the national interest that food should continue to flow to the people of Great Britain in order that they may be in a position to produce goods and exchange them for our goods in the future and continue to be the great market that they have been in the past.

I think it is about time for an enunciation of policy by the powers that be; it is about time, after the achievements of Canadians during the war just ended, for people in authority to state definitely the policy of this government and to think in Canadian terms first and always. It is about time that we minded our own business and left the interests of other people to their own countries.

I am also opposed to the way in which this resolution introduces the omnibus bill for the consideration of parliament, because I think it is the most anti-democratic and anti-Liberal measure this parliament has ever seen since confederation. May I be permitted to cite authorities instead of giving my own views in this respect? I shall refer you, Mr. Speaker, to a statement made in this house by our great leader, our dear Prime Minister (Mr. Mackenzie King) in 1932, with regard to a measure which was every bit as anti-democratic and anti-Liberal as this one is. At page 701 of *Hansard*, volume 1, of the session of 1932—and he was referring to chapter 58—he said:

What does this mean? Chapter 58 is the act to which I have just referred.

It was the Unemployment and Relief Act which was continued and called in 1932 the Unemployment Continuance Act.

It means that notwithstanding that parliament is in session, notwithstanding that the people's representatives are here assembled for

the express purpose of dealing with the great problems of the country and voting supplies in the regular way, the Prime Minister—

The Prime Minister was then Mr. R. B. Bennett.

—asks this parliament to give to the ministry while parliament is in session the power to do by order in council that which should be done only by act of this parliament and by supply voted in the regular manner. A more audacious or amazing piece of legislation never was introduced to a free assembly by any prime minister. This measure proposes that, while parliament is in session, actually assembled here with representatives from all parts of the country, hon. members shall forgo, by the changing of a date in an act of parliament, their whole duty of dealing in the regular manner with the problem of unemployment in what my right hon. friend will tell us is another emergent situation.

I admit that we also are possibly in another emergent situation. But if it was that bad to introduce two objectives in one bill, I am asking you frankly what it is to introduce fifty-seven objectives. In case the Prime Minister's words are not sufficient to convince hon. members of the situation as it now stands with this omnibus bill, I shall refer the house to another hon. gentleman who at the time called himself Mr. Ilsley. At page 937 of *Hansard* of March 8, in the session of 1932, volume 1, I shall quote Mr. Ilsley, who is now Minister of Justice, who is introducing this resolution and who, on the bill introduced by Mr. Bennett at that time, was saying this:

I submit that the most serious objection to be taken to this resolution is that a violation of the constitutional rights of the members of this house is being sought by the government of the day. It is hard to find words strong enough to characterize the action of the government in attempting to put through this resolution. It was bad enough in the emergency session of 1930 to ask for a vote of $20,000,000 for works which were not specified; it was worse in the session of 1931 to get from this parliament a blank cheque and legislation which set up a dictatorship between sessions, but it is infinitely worse for the government to have the temerity to come before this house and seek to perpetuate that dictatorship while parliament is in session.

I do not think I could use any better words to express myself tonight, because I think this resolution of today is quite similar to the one I refer to. I think it also involves a blank cheque, because the resolution does not indicate in any way what is the amount involved. In the second place, it is a resolution to perpetuate the sort of dictatorship which we had to stand for during the war, and which I would be willing to stand for during this period, but as a result of a resolution that should come to this house and leave in the mind of no members any doubt whatsoever as to its implications. I say that, first, with respect to money, and, second, with regard to the controls themselves, it leaves in the minds of all members of this house nothing but doubt and suspicion. Therefore I think the words of the man who is Minister of Justice today, but who was then in opposition as the hon. member for Hants-Kings, can be easily applied to it. I said that, as far as money is concerned, we are being left in the dark. As far as the controls themselves are concerned, and the emergency power that the government is seeking in this resolution, we are advised to a certain extent of what these measures may be in this publication called "Office consolidations of orders in council, specified in the schedule to the Bill, an act to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war".

Of course I see in this things which should be dealt with and taken care of; but I also see things that we could dispense with; for instance, the breaking and separating of eggs —I do know how to break my eggs at breakfast—the pasteurizing of honey; the slaughtering and stuffing of poultry, and things of that sort. When I bring forward this criticism it is in order to seek from the minister first a rectification of the enunciation of policy that he put on *Hansard* yesterday for what I would call the necessity of this bill, namely, that when Britain is in need in peace time, Canada must be the cow. I would hope that when this legislation is introduced in the house and we go into it, it might be possible for the minister, instead of bringing in an omnibus bill, to break it down and separate those matters dealt with by legislation already on our statute books, and introduce new bills for other matters, as for example, with regard to the wartime prices and trade board. In any event I think it should be dealt with in such a way that all hon. members might know the amount of money involved as well as all the items included in this legislation, and their purpose.

If that is not done, I for one shall feel like a shareholder in a large corporation such as the Sun Life, the C.P.R. or some other corporation, who is called once a year to rubberstamp the decisions of the executive. I submit to you, sir, that if that is what we are asked to do—and I say it is—there is no need for us to stay here for six months and spend the money of the taxpayers. We might as well come here for only one day and rubberstamp the decisions of the government, or send a proxy and stay home. I do not feel that I can take the responsibility of destroying the most elementary privilege possessed

by any taxpayer of this country or any member of this house; I do not feel that I can subscribe to the annihilation of the greatest prerogative of members of the Commons by submitting to legislation twenty-five times worse than R. B. Bennett's legislation in 1931-32. I feel that I must redeem my accounts with the taxpayers of my riding and the country at large; I have to explain that when I voted for a certain bill on a certain date, I knew I was voting so much money which they would have to cough up, and that certain principles were involved touching their most intimate everyday dealings.

In conclusion, may I repeat that I hope the government will find ways and means of satisfying the people who really believe in a controlled economy, in a stabilized economy and in orderly decontrol, so that we may be in a position to vote intelligently on this legislation, and in order to give back to parliament its privileges and to members their right to know the amount of money involved and the items dealt with.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, first of all I wish to assure you I am not going to read my speech; I never have and never shall. I am sorry the hon. member for Eglinton (Mr. Fleming) is not in his seat at the moment, because tonight he would have seen what a great privilege it is to be a Liberal; you do not have to agree with your fellow Liberals. I entirely disagree with the previous speaker. He comes from that part of the house which this afternoon was referred to, by an hon. member from the western end of the Conservative party, as the southern end of the Liberal party. The other night we heard the hon. member for Rosetown-Biggar (Mr. Coldwell) refer to packing plants, and I want to assure the hon. member for Eglinton that in the case of an animal going into a packing plant, the south end of the animal is by far the most intelligent end.

One reason I disagree with the hon. member from the southern end is that if we were to consider these fifty-seven varieties of orders one by one, while it might be all right for hon. members who live in eastern Canada, if they had the great privilege of living in the province of British Columbia they would not want to stay here until the end of December, and certainly we would be here that long if we took up these matters one by one. The hon. member for Eglinton referred to me in what I thought were flattering terms, and I hope the acting leader of the government (Mr. Mackenzie) and the Secretary of State for External Affairs (Mr. St. Laurent) will pay attention to what the hon. member said. In order that there might be no misunderstanding, during the recess I looked up the word "apex" in the dictionary. I had my own idea of what it meant, but not having the privilege of having been a Rhodes scholar I wanted to make sure. I have only a small dictionary, but I found that the word meant "the highest point." I do not want to read my speech, but I read that meaning so that *Hansard* may be correct, and particularly for the benefit of the two members of the cabinet. So the hon. member for Eglinton referred to me as the highest point in the Liberal party. Therefore I should be in a good position to bring in my hon. friends from the southern end of the party, who do not yet quite see eye to eye with the rest of us on the matter of controls. It is a funny thing but apparently in the Liberal party, as geographically in Canada, the finest things come from the west. I do not believe, like some of my hon. friends in the C.C.F., that I have a complete knowledge of everything.

Mr. GILLIS: That is obvious.

Mr. CRUICKSHANK: All right; I will attend to that. I am sorry the hon. member for Winnipeg North Centre (Mr. Knowles) is not in the house at the moment, because I want to mention an item which proves the need for controls. Among the many benefits which we enjoy in this great democracy, no one can take your name unfairly or unjustly. I admit this has nothing to do with the bill; and incidentally the main objection I have to this legislation is the use of the word "omnibus," which is too hard to say. I would make the name a little shorter; it would be much easier to say. To indicate the need for controls, I am going to quote from the Manitoba *Gazette*, and surely anything from that publication should be an excellent authority, because for many years it was guided by no less a gentleman than the present leader of the opposition (Mr. Bracken). So I take the Manitoba *Gazette* as being authoritative and fair, and I give the leader of the opposition credit for that. This, by the way, is in reference to the remark of my hon. friend across the way that obviously I do not know it all. This is a notice of an application for a change of name; it is in the issue of Saturday, March 8:

> Notice of application for a change of name. Notice is hereby given of the following application to the provincial secretary under the provisions of "The Change of Name Act."
>
> Mark this:
>
> I, Stanley Nowalsky—

An hon. MEMBER: Spell it.

Mr. CRUICKSHANK:

—of the city of Winnipeg, in the province of Manitoba, hereby make application under the provisions of "The Change of Name Act," for a change of name as follows: From my present name, Stanley Nowalsky, to Stanley Knowles.

That proves that you have to have these controls. For the benefit of the record, I regret my hon. friend the member for Eglinton is not now present. I know of no better place than my own riding to go to get advice I should follow, and I believe it would be in the best interests of the people of Canada if we were to follow their advice more often, and also the advice of the churches of Canada.

I should like to quote here an unsolicited letter from one of my own churches. I am very fortunate to be able to say that the people attending this church had the good judgment to see that Cruickshank came back here at the last election. This letter is dated at Sardis, British Columbia, March 12, 1947. It is addressed to myself, George Cruickshank, at the parliament buildings, Ottawa, and states:

Dear Sir: The women's association of Carman United Church respectfully request you to support the maintenance of price control, until the period of short supply is over. We believe that this is the only way of avoiding serious inflation, as suffered by the United States last year, when their price control was abolished.

Hoping you will give this matter your serious attention and bring it before the house in the same efficient manner you have given other matters in our riding.

Wishing you every success in your work at Ottawa—

Some hon. MEMBERS: Oh, oh.

Mr. CRUICKSHANK: Let me finish this.

We are, yours truly, Carman Women's Association, Sardis, British Columbia; per Phillis Kirkness, Secretary.

Let me ask the hon. member for Eglinton to produce a solitary letter from as responsible a source as that asking for the abolition of controls. Every hon. member prides himself upon his good connections, but the hon. member cannot produce a letter such as that from any United Church in the Dominion of Canada asking for the abolition of price controls at this particular period.

I do not want to weary the house, so I shall read only one paragraph from my reply. It is dated March 17, 1947, the same day as I got the letter. I reply to my mail on the day I get it. Take note of this reply, because it speaks volumes.

An hon. MEMBER: Read it all.

Mr. CRUICKSHANK: I shall be delighted to file all my correspondence. Modestly, as you all know, I seldom speak about the Fraser valley in the house.

Mr. FRASER: Honest George.

Mr. CRUICKSHANK: That is right. I do not blame my hon. friend for merely asking questions on the orders of the day. If I had nothing but Peterborough to represent, that is all I would do here, too. I am going to read this paragraph:

Unfortunately, for reasons best known to themselves, the opposition have strenuously objected to the maintenance of these controls and I am sorry to say by delaying action have made it difficult for the government to bring them under statutory form before the end of this month.

An hon. MEMBER: Carried.

Mr. CRUICKSHANK: Oh, it is not carried yet. And did that come from this party—or from which party? Maybe I had better attend to that party a little bit, because apparently they have a lot in common over there—in some sections. That has proved to be so—not the west end, but the middle end of the Conservative party. You know, they have changed leaders over there so often since I have been here—and I have not been here so very long—that apparently they now have a leader for the west end of the party, and a leader for this other part.

Mr. FLEMING: The leader we have is here to stay, and he will be leading on the government side of the house before very long.

Mr. CRUICKSHANK: Well, my friend, I am an older man than you are, and I wish you the best of luck for a long life—and I hope it for myself, too. But I am sorry to say that, even with my magnificent physique, I shall not live long enough to see my good friend the leader of the opposition (Mr. Bracken) over on this side.

Mr. FLEMING: It will be soon.

Mr. CRUICKSHANK: I should like to read that letter again, because I want my hon. friend to produce a letter like it, but which asks for the abolition of controls at this particular time.

I believe in giving all sides of a story, so I shall quote from the *St. Croix Courier*. And just in case anybody has any misunderstanding with respect to that newspaper, let me say it is from St. Stephen, New Brunswick.

Mr. MICHAUD: Hear, hear.

Mr. CRUICKSHANK: Apparently the southern end of the Liberal party did not wait for me to finish, and that is why his cheer was

loud because the *St. Croix Courier* is a strong Conservative paper. They have one—only one—reporter, and he is a leader in the Conservative party. But I want to quote what he says, so that we can understand the opinions held in number two corner, over there. I shall quote only part of it. This man is an excellent gentleman, one of the most outstanding men in the Conservative party—he ought to be, because he comes from British Columbia. I shall quote from this paper under date of March 20, and March seems to have done a lot of things. This is it:

"The Social Credit party see things as the Progressive Conservatives do except on monetary policy," said Mr. Green.

I am glad to know now that you are both tied in together. I have thought it for a long time. But now I know it, from a leader in that party.

Mr. BLACKMORE: Would the hon. member tell us what he read that from.

Mr. CRUICKSHANK: Must I give them more publicity? I quoted from the *St. Croix Courier,* published in St. Stephen, New Brunswick, on March 20. I don't blame you for trying to disown it. I might, myself, if they had supported us.

The riding I represent does not consider this bill perfect, by any manner of means. But we do know that if we abolish controls it would be a mistake. Nobody suffered from controls, from a financial point of view—and opposition members know this—more than did the dairy farmer. No one has made a more direct financial contribution to Canada's welfare during the period of controls than has the dairy farmer. I say that as the representative of a constituency the industry of which is principally that of dairying. Yet we know that if at this time controls were taken off, as some of my hon. friends would have them taken off—and the word they use is "holusbolus" or some such Greek word—the results would be bad; and the people in my riding realize what would happen.

We do not like regimentation. Some of the people in Fraser valley have for a long time been trying to regiment their present members, and it will be a long time more before they accomplish it.

Mr. FLEMING: The government tries to regiment him, too.

Mr. CRUICKSHANK: Listen, my hon. friend; even coming from Toronto, if you got into the Liberal party you would find that we never try to regiment anybody. We allow each and every member to express himself and to vote as his conscience dictates. And we do not have a caucus every day at two o'clock to tell us what to do when we get in here.

Mr. FLEMING: We don't caucus by provinces.

Mr. CRUICKSHANK: All right now; I enjoyed your speech this afternoon, because I know of no more profitable way of spending an afternoon—when you have nothing else to do, or less chance of improving your mind than by listening to a speech from Toronto.

But to get back to my riding and its position with respect to controls, we do not approve this bill in its entirety, by any manner of means. But most certainly, Mr. Speaker, I would not have a letter from a United Church in my riding asking that these controls be kept on, if the riding did not think along those lines. I want to tell the hon. member for Eglinton that if he goes to that source for his advice as to what he shall say in the house, and how he ought to vote, he will end up eventually by seeing the light of day as to what is best for all Canada, and will be moving over to this side of the house.

Mr. PIERRE GAUTHIER (Portneuf) (Translation): Mr. Speaker, I believe it is an excellent thing for parliament to have such a prolonged discussion as this one on the matter of "controls". Among the public, it is often said that members of parliament have more or less self-control. What with hearing that said and examining the matter under its various aspects, we may come, I hope, to achieve perfect control over our thoughts, our tongues, our acts and possibly even over the present government.

It is often repeated that controls breed an over-strong and all-powerful bureaucracy. After having scrutinized the whole world and studied their political set-ups, we may very well ponder over whether any other political group represented in this house were they to attain power—and this would be their luck, not ours—would do away with this bureaucracy bred by controls, of which so much is said; whether they would do away with the civil servants, who, after all, form the only bureaucracy which has been so much talked about. I was once told, in a government department, that the civil service commission was more powerful than any government. I almost believed it, for I do not think that any party could do away entirely with bureaucracy. I do believe, however, that it would be replaced by another much stronger, more numerous and probably all-powerful.

(Text):

To show, Mr. Speaker, that controls were not born yesterday, I have something here that was sent to me a year ago by my hon. friend the member for Huron-Perth (Mr. Golding). It is a translation into modern English of a proclamation concerning butchers, and there is a footnote on this sheet stating:

The first price control chief was the Roman Emperor Diocletian. In the year 301 he put price ceilings on all commodities and froze wages.

On March 25, 1535, a proclamation was issued by King Henry VIII concerning butchers. It reads:

"A Proclamation Concerning Butchers 1535"

Dated this 25 of March of reign of King Henry the VIII

Forasmuch as the King's Majesty is credibly advertised and informed, that beeves, muttons, and veals are likely to be more scarce and dear now against this holy time of Easter than in other seasons of the year, by reason of the charges of keeping such cattle with hay and other stover in the winter; by occasion whereof the butchers and others that shall sell such beeves, muttons, and veals by weight cannot buy them of the breeders, brokers, farmers, drovers, owners, and feeders of such cattle at such reasonable prices in gross as they may sell the same again by weight by retail at such prices as are limited in the act made for selling of flesh by weight, unless it should be to their utter loss and undoing; His Highness therefore willing that the same butchers and others selling flesh by retail for the time hereafter limited in this proclamation should be so conveniently provided for in the premises as they should not have any cause reasonably to forebear their provisions for such victuals to be sold at retail against this holy time of Easter for relief and succor of his subjects in as ample manner as heretofore have been accustomed; is therefore contented and pleased that, from henceforth until the 23rd day of June next coming, butchers and all others that shall sell flesh of the kinds aforesaid by weight by retail shall and may sell from time to time, unto the said 23rd day of June next coming, every pound of beef good and wholesome for man's body for a half-penny and one half-farthing and no more: And every pound of mutton for three farthings only and no more. And every pound of veal for a half-penny and half farthing and no more. The said act of provision heretofore had and made for selling flesh by weight by retail, or anything therein contained, to the contrary hereof notwithstanding.

Provided always that no butcher or others shall kill any calves to sell by retail for the term of two years ensuing, from the first day of January last, upon the pains limited in the act made for killing of calves, this proclamation notwithstanding. And his Highness hath ordained that if any butcher or others selling by retail do sell any of the kinds of victuals aforesaid otherwise than by weight or at any priecs than is afore limited or refuse to sell according to this proclamation; then every butcher or others so offending shall suffer loss and forfeit all such pains and penalties and also be ordered in all things as is contained and limited in the act made for the premises. This proclamation in any wise not letting.

And furthermore the King's Highness straightly chargeth and commandeth all and every one of the said breeders, brokers, drovers, feeders, farmers, and owners of such cattle that they and every one of them furnish the fairs and markets with such fat cattle as they have to sell from time to time in as large and ample a manner as hath been the custom: And to sell their said cattle at such reasonable prices as the said butchers or such others as shall retail the same again by weight may utter and sell the same to his loving subjects at such prices as are above limited, as they will avoid his Grace's high displeasure and answer to the same at their uttermost perils.

And that after the said 23rd day of June, the said butchers and others selling flesh by retail shall from thenceforth sell by weight by retail according to the prices limited in the same act and made and provided for the same upon the pains and penalties contained in the said act without any abstinence or redress to be had thereof after the said 23rd day. Wherefore the King's Highness straightly chargeth and commandeth all the singular mayors, justices of peace, sheriffs, bailiffs, constables, and other his officers and faithful subjects to whom it shall or in any manner or wise appertain that they and every one cause this his proclamation to be put in due and effectual execution according to the tenor thereof, as they will answer to his Highness at their uttermost perils.

Thomas Berthlet authorized to sign same with privilege of the King.

GOD SAVE THE KING

That shows, Mr. Speaker, that the Canadian controls are not the first to be put into effect by a government.

(Translation):

Mr. Speaker, controls are merely the result of war, or at any rate, of an unusual situation. Ever since I have been sitting on this side of the house and even during the two long sessions when I sat on the other side, we were wont to say that our war effort would have a most disturbing effect on the economy of this country if it did not destroy it. Obviously, at that time, without presuming to prophesy, we feared that the war effort would be too great and that it would result in coercive measures being applied during and after the end of hostilities.

Controls are coercive measures and nobody likes them; they do not please any mother of a family or charitable institutions; nor do they please old people or children who are thereby deprived of some of the necessaries of life, but since the child is born—"control"—it must be brought up and be it a matter of controls, price regulations or something else, we must put up with everything on account of the present economic situation not only in Canada but throughout the world, and that is the point we must consider.

Let us take as an example the rationing of sugar. It did not please anyone. Everyone likes sugar, and more especially children, sick and elderly people who need it most. It was absolutely necessary to ration sugar because, since 1942, production was altogether insufficient.

The output of North America, the continent in which we live, amounted in 1938 to 2,467,258 tons of sugar, while in 1946, it had dropped to 1,845,000 tons, which means an annual reduction of at least 600,000 tons. That, however, is nothing compared with Europe which was laid waste by war. Its annual sugar output of 9,412,325 tons in 1938 decreased through the years to 5,700,000 tons in 1946. Therefore, war-torn Europe needs some of these controls and rigid rationing must be maintained so that world-wide distribution may be adequate.

Take Asia, for instance. Production has decreased by 2,380,255 tons, a drop which is almost as disastrous as that which occurred in Europe. If you multiply these figures by the number of years included between 1942 and 1946, you will see how inadequately the sugar output compares with demand and consumption.

Now, I come to the Philippines which have been almost destroyed by the Japanese. The production there, in 1938, amounted to 1,039,305 tons, while, in 1946, it had fallen to 13,000 tons. Listen to this: in Java, production, in 1938, was 1,761,000 tons and only 125,000 tons, in 1947. You can see the difference right there and realize at the same time that rationing is not entirely bad, especially in regard to certain goods, such as those I am speaking about at this moment, and which must first be distributed, if we are at all human, to those who need them, those whose health is failing, who are advanced in age and must have a definite amount of calories to keep alive.

In Formosa, the same conditions prevail. Production, which stood at 1,487,000 tons in 1938, is estimated at only 175,000 tons for this year. Fortunately, Europe is recovering faster than the Philippines, Java, Formosa and Borneo, for the Europeans had foreseen that they could some day be short of sugar, either as a consequence of war or of some other catastrophe and they put in larger acreages in sugar beets.

This reminds me first of having heard the hon. member for Lethbridge (Mr. Blackmore), in 1942, delivering a speech, requesting the government to encourage the growing of sugar-beets. I also remember that, in 1932, while a member of the provincial legislature, the hon. member for Montmagny, Mr. Paquette, a former mayor of the City of Quebec, the hon. member for Quebec Centre, Mr. Samson and myself had initiated a debate on sugar-beet growing. We had not much success then, but today the province of Quebec is equipped with a beet plant of 1,200 ton daily capacity at St. Hilaire. Other sugar-beet factories in various parts of the country, including Alberta, Manitoba and Ontario, have a daily capacity of 11,200 tons. I submit that if, in anticipation of some accident, or rather of such a scourge as war, we had developed the sugar-beet industry to a greater extent, as Europe has, we would have suffered less hardships from sugar rationing because we would have been in a better position to cope with our requirements.

I realize, Mr. Speaker, that controls are depressing and irritating. We dislike them, as everybody else, except those who believe in state regimentation. Even though we may not fancy this liberal enactment, let us consider the present situation in Canada and outside the country. At the beginning of the war, I spoke the following words in this house:

> In order to survive, democracy will have to resort eventually to the very same means which are used against it if it hopes to conquer enemies bent upon its destruction.

Totalitarians resorted to controls in Germany, Russia, Spain and elsewhere. Why? To regulate their expenses, their production, their consumption in order to reach a goal of which they never lost sight: the domination of the whole world and the destruction of true democracy. I was justified, and I still am, in saying that even if it does not please our constituents democracies must sometimes resort to the very means used against them by their opponents. I quote a recent article from the *New York Herald Tribune*:

> Canada has shown us how to control salaries and prices during the war and now apparently she shows us the way in which controls must be lifted during the reconversion period.

I understand that some people demand the immediate abolition of controls. However, I find with dismay that those who demanded a superhuman war effort of Canada, knowing that the expenditures entailed would endanger our economy, are the ones who clamour for the lifting of controls and the return to peace-time conditions.

And now, we are labouring under the very conditions brought about by the pressure they exerted at that time. Canada gradually reduces her staffs. The number of employees of the prices board has shrunk by 1,220 in 1946 and further cuts are contemplated. I do not claim to be more liberal than anyone else, and I do not intend to give the impression that I changed my mind when

I took a seat among the liberals; I still hold to the same opinions which I held and voiced at that time, when I stated that controls were things that we could hardly countenance and that we abhorred even. However, we foresaw that the state of war and Canada's war effort, as well as that of all the countries of the world, would bring about the conditions under which we are presently labouring. If we study the schedule of prices referred to, yesterday, by the Right Hon. the Minister of Justice (Mr. Ilsley) in his review, we find that the United States have experienced a disastrous and frightful rise in prices as a result of having removed all controls at one stroke. Those who will read the statement of the Right Hon. the Minister of Justice will see that the controls, in Canada were not done away with all at once, which has certainly been to the advantage of the Canadian economy and the Canadian taxpayer.

Mr. Speaker, that it is proper to quote in this connection a statement which the right honourable the Prime Minister made early in February. It reads as follows:

> The Tories would abolish in one fell swoop all government controls. The socialists of the C.C.F. would not only maintain them, but multiply them and establish them permanently. The Liberals avoid those two extremes; they want neither to abolish the controls for the benefit of private interests nor extend them needlessly, but keep those which certain circumstances make necessary in the general interest.

Therefore, Mr. Speaker, like all the hon. members who have spoken before, I cannot accept straight away and smilingly a system of controls which will continue to be enforced. Some of those controls have been abolished and others will be. I hope that all will disappear in the near future. But, while I am not and do not pretend to be an economist, I cannot see how any country in the world, can possibly remove all controls on its domestic and its external trade.

That is why I shall vote for the bill, even though I do not like it. This does not mean that I have changed my mind about those measures of control, it is merely because I feel that we must keep a certain degree of control so that our economy will not be entirely destroyed, especially in view of the hard blows it has suffered after the war.

(Text):

Mr. L. E. BAKER (Shelburne-Yarmouth-Clare): Quite a bit has been said about the south end on the government side. Since I represent the extreme south of the south end—I feel at times as though I were in Antarctica—I must express my views. I am afraid I

[Mr. Gauthier (Portneuf).]

cannot say it is a solid south at the present time, because I shall have to differ with my good friend the hon. member for Matapedia-Matane (Mr. Cote).

I am one who is convinced that this omnibus bill should go through as quickly as possible. I wish to explain at the outset that I am a Liberal, a Liberal of the Liberals, and I do not like controls as such. But I realize that there are times when we have to exercise controls, when we are in an emergency; and we are definitely in an emergency now. It is true that the guns have ceased firing, but we are going through possibly a more difficult period from the economic point of view than when the guns were still firing. We are running into what I consider to be the final lap, and if we falter in that lap and lose the race as a result of trying to be too hasty I maintain that we shall live to regret it.

We are not the only country which has to exercise controls. I had not expected to speak on this resolution; I had intended to wait until we came to second reading of the bill, but because the south end of the house has been referred to so often I thought I had better express my views. I picked up the Halifax *Herald* of March 20 while sitting here, and what do I see. The date line is "Washington, March 19—AP". I will not read the whole item. The heading is "Ask Power be Continued." I quote:

> President Truman asked congress today to continue his wartime power to control shipments abroad, as a curb on inflation at home and as a tool to help those countries "whose existence must be preserved".

Further on I read:

> Uncontrolled shipments into the higher-priced markets abroad would encourage domestic inflation and increase "the already substantial burden of living costs borne by the American people."

I skip a paragraph and read the last:

> About 500 items, mostly foods, now are under export curbs, compared with a war-time total of more than 3,000. Truman promised the fastest possible removal of controls but predicted that the need for them will "remain acute for some time".

I maintain that our position is very similar to the position over there, only we are much better off inasmuch as we have never relinquished controls in the wholesale manner in which they did in the United States and for which they are suffering today. I would urge all hon. members not to treat this question on party lines. It is too important for that. We want to get rid of these controls as soon as we can, but we must regard this as a big measure which we must face for a limited period of time.

We have been operating safely under these controls under the wartime prices and trade board and I contend that we have nothing to fear by operating under them for a few months longer. But we have a good deal to fear if we do not get this legislation through in sufficient time.

The suggestion has been made that we have separate bills for all fifty-five items. That would be all right if we had the time; but from what I have seen in this house this session, I suggest that, by the time we got through, the need for control would have gone by or the holocaust would have caught up with us and we would be definitely out of luck. We have not time to do it. We have to recognize that fact. Therefore I urge that as soon as we possibly can, when members have expressed what opinions they may have, we allow the Speaker to leave the chair so that we can consider the matter in committee.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Until now the question has been put whether one is for or against controls. Some have said they do not like controls, and it is a respectable opinion. They have said also that, although they do not like controls, they would be in favour of continuing them for the public good. That is acceptable. Some others have been against. It was their view and also mine, and I wonder if my hon. friend the member for Portneuf (Mr. Gauthier), who has just spoken, had in view those who have expressed themselves against controls when he passed such severe judgment against them. I wonder if his words apply to the hon. member for Quebec South (Mr. Power) and to my humble self.

Mr. GAUTHIER (Portneuf): They apply to no one in particular.

Mr. POULIOT: All of us together. Therefore he divided the house into two categories, those who see the light and those who do not. I appreciate the fact that he has the right to his own views.

Mr. GAUTHIER (Portneuf): I never meant that.

Mr. POULIOT: No, but it is my understanding of what the hon. member said. There is no one who is more ready to concede that everyone has a perfect right to his own view. Well, the question may be put differently. One may be for the controls in principle; but under certain conditions, one may be for the controls theoretically but against the application of the controls. These distinctions are necessary in a discussion. In the first place, I would be in favour of controls —and in fact I was the first one who wired to the Prime Minister on the eve of the war to ask him to see to it that prices of sugar and flour would not rise too quickly—under one or several cabinet ministers responsible to the House of Commons, responsible to parliament. That kind of control I would be for in case of emergency.

I believe that parliament is supreme and I believe also it is a great mistake to establish boards or commissions that are entirely independent of the government. If they are created as independent of the government it is because of the intellectual laziness and lack of determination of the members of the cabinet who would not assume responsibility for unpopular measures taken by a board in charge of control. It is just as clear as spring water. And then the control is decided; independent boards are organized, and members of parliament are just rubber-stamps to vote measures like this one.

Mr. MacNICOL: Mostly soft rubber.

Mr. POULIOT: That is another respectable opinion. Therefore, sir, I am against the constitution of commissions and boards that are independent of the government. It is precisely the view of the C.C.F. socialist party to have such boards organized and manned by men who are superior to members of parliament taken as a whole. These men on the boards—I am not complaining of anyone in particular; I am considering the question on principle—are considered superior to members of parliament, and we are here to give them powers which we are afraid to discharge. That is the constitution of all the boards that we have.

But there is something else. We are at the other end of the line. No minister has the outlook that a private member of parliament has on the effect of any legislation because, in the first place, ministers are not in daily contact with their constituents and because, in the second place, most of their constituents do not write to them except to ask for special favours. At times it may be letters of friendship, but when a man does not live among his constituents for the greater part of the year he loses contact with them. Moreover, ministers are surrounded by men who tell them that the wrong thing is the right thing and when a member of parliament tells them the truth it is sometimes considered as heresy.

If controls are necessary they should be under one or several members of the cabinet; then I am sure my hon. friend, who voted against controls on Bill No. 25 and on another occasion, would accept controls because, when

the question of controls would come before the house, the minister would have to give explanations just the same as he gives in connection with any matter coming under his department. What I regret very much is that those who man the control boards very often consider themselves infallible. They think that if they admit a mistake they are doing something they should not do and they will be ashamed of themselves. They are not supposed to err. They are the infallible ones. Therefore, when it is pointed out to them that there is something wrong somewhere, they will not admit it, for any reason. Then the minister will tell us that it is difficult for him to intervene in such a case because he would not want to intervene in regard to an independent board. How is it that those people are independent? They have grown up like mushrooms, and it is impossible for members of parliament to make any observations to them. Sometimes we may make observations and explain certain things to them. As I said to one of them the other day, and as I said just a minute ago, members of parliament are the shock-absorbers. They are the other end of the line. We know what is going wrong with the application of controls, and we very often tell them that there is some-redressed, to have the error corrected so that the people of the country will not complain of any injustice. It is evident that the controls are unpopular. They cannot be popular. But they should be exercised with fairness so that no one can complain of any injustice at the hands of any officers of any branch.

It is necessary to keep order in the country and to maintain the respect of the Canadian people for our institutions. But what happened in my constituency? There was an overzealous man who was closely related to one of the members of the wartime prices and trade board, and who was in charge of an office in my county. He was unjust to the people. I will not say that he was dishonest, but I will say that he was unjust. He even went so far as to put the people under oath and ask them what price they had paid for used cars? I brought those facts before the board, but I did not get a satisfactory reply. I wanted that man to be fired, but he was never fired because he had support in high places. Finally, at the request of the wardens and the mayors of the county, the office was closed. I asked that the office be closed just in order to get rid of one incompetent man, and what did I discover afterwards? I discovered that the man was in the Quebec office and to a large extent in charge of the business for the twenty-three counties in the district of Quebec. It is impossible to get rid of them. He was like a girl who was employed in the civil service. She missed her examinations nine times and was fired at my request. The first news that the civil service commission had was that her chief had protested against her being fired, saying that she was rendering exceptional service. It is the same thing with regard to these people I speak of. We cannot get rid of them.

Is it not possible to make a certain clean-up in all these controls? There is great duplication. There are controls in the Department of Reconstruction; there are controls in the prices board, besides the control of the treasury and the foreign exchange control board. There are controls everywhere. There are fences. There are ropes. There are all kinds of ways to keep the people embarrassed and inactive. I will suggest something to the minister before the bill comes out, but I wonder if it will be of any use because the whole bill may be cooked now. However I will put it on record and show my willingness to help by making a few suggestions. Why not get rid of the controls of the wartime prices and trade board, which duplicate those that exist in the Department of Reconstruction? Yesterday the Minister of Agriculture (Mr. Gardiner) told us that in the Department of Agriculture they established floor prices, but the ceiling prices were established by the wartime prices and trade board. If controls are necessary, why not have the ceiling prices of agricultural products established by the Department of Agriculture or by the Minister of Agriculture; and under his authority, so that he will be responsible for the matter in parliament? That is one suggestion. The same thing applies to all departments.

Instructions have been given to reduce the staff of all departments by ten per cent, to fire mostly minor employees such as stenographers, clerks, messengers, and so on. Why not dispense with the useless, dead branches of duplication? It is easy to do.

I will not speak much longer, sir, because all the discussions which are carried on in the house, even when fine and eloquent speeches are made, are purely academic. There is no result. I remember one day that six members of parliament obtained what they wanted by uniting; and the matter in point was not one of national importance. It concerned steel pipes. There were six members—one was from British Columbia, another from Winnipeg and I do not remember where the others were from—who joined together to call on the Prime Minister and the Minister of Finance, and complain about the high price, or the

increase of price by the prices board with regard to steel pipes. It was not a matter of national importance, but they went there and said to them, "Gentlemen, if you do not reduce those prices to what they were before, we will vote against you." They obtained what they wanted. Everything was all right and the prices were changed, although it had been found by the prices board that the prices were too high.

I have not always had the support that I expected to have on matters of public interest, and although I respect the opinions of others I do not despair of the future, because in a matter of minor importance last year the House of Commons was turned upside down by the new members on the question of whether we would have Canada day or Dominion day, a matter of very little importance. But the senate argued for weeks and months about it. They did not know whether it should be Canada day or Dominion day. Why discuss it? We must have Dominion day; there is no reason for having Canada day when there is one single member who is against it and who prefers Dominion day as a sign of colonialism. But here in the house one vote was 26 to 165, and among the twenty-six were thirteen cabinet ministers, while among the 165 were two cabinet ministers. All votes were most interesting. The discussion lasted a day. Although it concerned a matter of minor importance, everybody was concerned about it, and the rank and file won the day in the House of Commons, which shows that we can expect something for the future if members first know what they want and then unite for that particular purpose. It was done last year. It could be done today in matters of greater importance.

Mr. KNOWLES: We also had a vote last year on the price of milk.

Mr. POULIOT: Exactly, and it was forgotten very quickly, unfortunately.

Mr. KNOWLES: Not by the people.

Mr. POULIOT: I will not say by the people. The vote was significant but the result was nil. I regretted not being in the house that day, because I would have voted with my hon. friends. I arrived in the evening, and that occurred in the afternoon. But it was well done. The hon. member who has just spoken got a promise, but if I am not mistaken that promise turned out to mean nothing. With regard to the Canada day business the House of Commons did its duty; then the Senate was all mixed up; finally the legislation stayed on the table and we did not hear of it again. It is a question of peace, of not drawing a red herring across the trail, of being quiet and good in order not to hurt those who think we should continue to have Dominion day instead of Canada day. We can carry on like that in regard to various small matters, but when the time comes to discuss important matters it seems to me the essential distinction is not made between important matters and minor questions.

I do not despair of the future. I still hope for a better future, but we shall have it only if men who have a definite purpose unite and follow the example of those who were so successful in having the price of steel pipes reduced to what it was before, and if the members of the house will continue to do as well for public business as they did for Canada day last year. Am I right or wrong to hope for a better future? It all depends upon my colleagues. More than that, sir, I believe the distinction between political parties is a pure farce. I am a Liberal at heart and proud of it, but I do not see how a Liberal could stand for a socialist measure like this control by independent boards. I am bitterly opposed to it. Control under the Minister of Justice (Mr. Ilsley); control under the Minister of Finance (Mr. Abbott); control under any minister responsible to parliament; that is one thing. The Minister of Justice is responsible to parliament for the mounted police. He brings in a report. That is all right; I do not complain about it. But everything should be like that. Now we must admit we have been remiss in our duty by not making the necessary distinctions and by letting those mushrooms grow in such numbers that the government and even the House of Commons—because the government is no worse than the house—are afraid to abolish these controls. Why not replace them by controls responsible to parliament, so that members of parliament will have their say; so that members of parliament will be heard when they make representations on behalf of the taxpayers of this country who happen to be their constituents and who are entitled to justice from anyone.

I wonder how many hon. members have read the resolution sponsored by the Minister of Justice. It reads:

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

Mark this, sir.

> —and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act—

That is the first thing. The second is:

—and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

In the first place, we are to have the creation of new boards and commissions; there are not enough already. In the second place, provision is made for the continuation of the present state of affairs. Then, how are we to reduce bureaucracy? We are creating more and more bureaucrats all the time. Bill No. 25 created more boards, more advisers, more men who will come from outside to supplant parliament, more termites who will destroy the pillars of the state, and now we are to have still more and more. Nearly everybody is for it, and there are philosophical dissertations about controls. "We like them". "We don't like them". "We think they are necessary". "We think they are not necessary", and no action is taken. I believe in the sincerity of all my colleagues who are so kind to me, but may I tell them that my faith will be greater the day members unite to interview the government and notify them they will cease their support if they do not make necessary changes, and if we do not have responsible instead of irresponsible controls.

Mr. REAL CAOUETTE (Pontiac) (Translation): Mr. Speaker, the resolution now before the house is simply the continuation of the administrations, controls and plans set up on account of the war.

The war ended in 1945, almost two years age, and the "plan makers" are still trying to persuade the people that the continuation of control measures is necessary and that their abolition would be detrimental to the economic stability of Canada. Where, in 1947, is economic stability to be found in our country? Strikes are going on across the country, production has sharply decreased and our wealth and available products are very unequally distributed. Black markets are rampant all over the country and we wonder why they should exist in Canada. Why were there no black markets in 1939 and how is it they exist in 1947? Why did they exist during the war? It is easy, very easy, to understand. In 1939, we had not controls, whereas these controls exist in 1947, as they did during the war. Therefore, these controls are the cause of black markets. How can we do away with black markets unless we begin by abolishing controls? In order to illustrate what I have in mind, I should like to read to the house an article which appeared in the newspaper *Vers Demain*, edition of March 1, 1947, under the title: "Subsidies vs. controls."

When stores are full but pockets empty, the unsold goods remain outside the home. One recalls the depression, when neither dealers nor customers were satisfied. When pockets are full but stores empty, non-existent goods remain outside the home. Such is too often the case today, when neither dealers nor customers are satisfied.

What applies to dealers and customers is also true of landlords and tenants, since houses are goods, and equally so of doctors and patients, since professional services provide for certain needs.

Therefore, two conditions are required:

First, the goods must exist.

Second, consumers must have money to pay for the goods.

In other words, we have on the one side goods and money on the other, that is farmers, industrialists, workers of all kinds, who produce abundantly and buyers who pay well.

How can the first condition be met? Through an ever-expanding production of consumer goods of which Canada has already proved herself capable.

Everything that encourages production helps to produce goods. Everything that discourages production tends to cause shortages.

When do we encourage production?

When we enable the producer to sell his goods at a profitable price.

When do we discourage production?

When we prevent the producer from selling his products or when we compel him to sell them at an unprofitable price.

Who should determine the selling price?

The seller because he knows how much his products cost him.

A reasonable selling price includes the cost of production plus an adequate margin of profit. Only the dealer or the producer are in a position to determine the selling price. They cannot sell at a loss; if they do, they cannot earn a living. They cannot demand prohibitive prices, otherwise their competitors will undersell them.

What happens when the wartime prices board in Ottawa determines the prices of goods throughout the country? Every producer who for that reason must sell at a loss or without profit first decreases his production, hoping to better is before long; if the system lasts, he finally sells his cattle or his farm, his machinery or his factory. As a result, goods cease to flow toward the market.

Do controls therefore cause production to drop? Certainly, as experience has proved. Before controls came into being, everything was plentiful. Since they have been brought into effect, any number of products are in short supply.

Free enterprise, unhampered by dictatorial boards and their inspectors, has always been capable of mass production. Controls, state-management, have not only shackled freedom but have also hindered production.

How can plentiful supply be brought back? By the removal of controls set up because of the war.

Will the lifting of controls not cause prices to increase? Yes, rents and the price of various commodities will rise to a level which will bring profits to owners and producers, which is quite normal. That is needed to bring back plentiful supply and widespread house building projects.

But will consumers be able to afford the various commodities? Yes; if their purchasing power is increased to the price level.

Will it therefore be necessary to raise all salaries? No, because such a step would bring prices still higher.

How can the purchasing power be increased while salaries remain at their present level? One method consists in subsidizing the retail trade, as was done during the war with regard to certain commodities. Thus, milk distributors wanted 12 cents a quart instead of 10 cents. Housewives continued to pay the latter price.

Mr. SPEAKER: Order! I wish to draw the hon. member's attention to the fact that a rule of the house, which is unfortunately not sufficiently adhered to, forbids the reading of speeches. I take the liberty of interrupting the hon. member for the following reason: I wish to explain to him that the reading of speeches is forbidden in order to prevent any hon. member from expressing the views of persons who do not have the privilege of being members of this house. The hon. member, who is reading from a newspaper, is not expressing his own views but is only repeating someone else's opinions. I would therefore ask the hon. member to stop reading from that newspaper and to express his own views.

Mr. CAOUETTE: Thank you, Mr. Speaker. I shall continue with my speech. During the war, subsidies to retailers took care of the price and control of milk. The government paid a subsidy of two cents per quart on milk. The consumer did not have to pay any more for his milk, and the producer and distributor received a two cents subsidy for each quart of milk. What has the government done since the end of the war? They have maintained harmful controls and they have abolished beneficial subsidies. As soon as controls give way to subsidies, farmers will start producing instead of selling their equipment, their live stock and everything they need for production. Prior to the control era, they were able to tend their farms and give something to Canada. The granting of subsidies will be an incentive to production. Retailers will secure a fairer distribution of goods and the price he wants, buyers will pay less, and the government will have accomplished its function, that of providing the consumers with adequate supplies of goods and giving them satisfaction as to quality.

Mr. Speaker, I believe that this is the only way of encouraging production in Canada. The C.C.F. demand still more control. They keep on asking for controls and they never talk about suppressing them. They want controls for the people and not for themselves. They wish neither to control themselves nor to be controlled, but to subject the people to controls. It is claimed by some that there is a shortage of goods in this country. The hon. member for Portneuf (Mr. Gauthier) said a moment ago that we wanted sugar in Canada.

Mr. GAUTHIER (Portneuf): There is a shortage the world over.

Mr. CAOUETTE: I know quite well that in certain towns people have hoarded 500, 600 and even 700 pounds of sugar—which proves there was some sugar to be had—because they feared a shortage. Such hoarding took place throughout Canada. Others purchased 50 pounds, whole cases of butter, without surrendering ration coupons. Now some people imagine that it is absolutely necessary to subject Canadians to rationing.

Mr. Speaker, there is not to my knowledge a single member of the house who, because of rationing, has had to go without sugar, butter and clothing although our constituents and the citizens of this country in general were subjected to rationing. Even in the parliamentary restaurant there is no shortage of sugar; we get all we want. And yet, Mr. Speaker, I know of miners, workers and poor families who are short of sugar, of butter, of the necessities of life. Are we to spend our time trying to find means to prevent them from satisfying their needs?

Instead of gauging the rations on Canadian stomachs, the stomachs have to conform to the size of the rations obtainable with the coupons. Such a system is undesirable. Canadians prefer subsidies, so that our country may enjoy plenty. I was saying that the hon. members do not like rationing as it applies to them, nor controls for that matter.

Mr. GAUTHIER (Portneuf): Neither do we like them for others.

An hon. MEMBER: You do not know what you are talking about.

Mr. GAUTHIER (Portneuf): We do not like them for others either. You cannot read.

Mr. CAOUETTE: They do not like controls as they apply to them and I maintain they have no right to vote for controlling their electors. Our constituents have elected us to serve them. They must be just as important as the members of this house. They are entitled to their own opinions about food, just as much as the members of this house, including the hon. member for Rimouski. I know that certain hon. members from Quebec will support the resolution, not because their electors are in favour of it, but because they have to submit to party discipline. Party politics are paramount to the common good and to the electors.

An hon. MEMBER: Don't be ridiculous.

Mr. CAOUETTE: I would not be at all surprised to hear in the very near future that some hon. members from the province of Quebec who voted for the resolution will have to face delegations of electors from their various constituencies.

An hon. MEMBER: Is that a threat?

Mr. CAOUETTE: In order to avoid meeting them in their hometown station, some of these hon. members will have to flee across fields and jump over fences when they get off the train.

Mr. SPEAKER: Order! I am sorry to interrupt the hon. member. I wish to point out to him that he is now speaking in parliament and that he is using language unworthy of the chamber in which he is heard.

Mr. CAOUETTE: Mr. Speaker, I do not want it said that I am in favour of the regimentation of our men, women and children, under a government dominated by finance and controllers. I shall vote against the resolution with the utmost energy and if our financial set-up does not permit at this time the granting of the logical and necessary subsidies we are claiming in order to promote and stimulate production, it is no fault of mine. Let the government take the necessary steps in this direction or else we will be forced some day to see that it is replaced unless it reassumes its sovereignty in the near future.

I wonder, Mr. Speaker, which of these two philosophies—controls or subsidies—is one of selfishness paving the way for the Soviets. My hon. friend the member for Rimouski (Mr. Belzile) shall have to speak more intelligently the next time, otherwise his remarks will boomerang against him.

If the members of parliament think they are intelligent enough to take care of themselves, they must admit that their electors are also capable of doing the same. Therefore, controls must be done away with and replaced by subsidies which will stabilize our economy by stimulating production and making distribution easier.

I have one further remark to make, Mr. Speaker. We no longer need the bureaucrats who, throughout Canada, as everyone knows, have the duty of distributing ration coupons, which are used for depriving us of our fair share of goods, under the pretext that we must have an uninterrupted production and a more equitable distribution. Instead of paying bureaucrats for rationing the people who pay their salaries, the government should compel them to produce, so that we may have a greater abundance from which all Canadians will benefit.

Mr. L. DIONNE (Beauce): Mr. Speaker, I shall not take up the time of the house to refute the unfounded statements which in the course of his remarks the hon. member for Pontiac (Mr. Caouette) has repeated in reading a newspaper article, but I must register an emphatic protest against the untrue statement which the hon. member made when he said that it was possible to obtain plenty of butter and sugar in the parliamentary restaurant. That is a falsehood and I ask all hon. members of this house to contradict me if I do not speak the truth.

Mr. CAOUETTE: Mr. Speaker, I did not say what is rationed in parliament, I was referring to sugar. When I stated that it could be obtained in any quantity, I was right and I stand by what I said.

Mr. GAUTHIER (Portneuf): You mentioned butter and sugar.

Mr. CAOUETTE: I mentioned sugar only.

(Text):

Mr. E. B. McKAY (Weyburn): Mr. Speaker, I wish to speak briefly on the resolution and refer particularly to the subject of price control. I hope I shall not delay the house too long because I should like to see this measure carried as quickly as possible.

During the course of the war, controls as they related to food and other commodities achieved the ends for which they were intended. They maintained a price level high enough to encourage maximum production and at the same time by the payment of subsidies, they prevented an undue rise in the price of goods to the consumer. The payment of subsidies repaid the Canadian people ten to one according to a statement credited to Mr. Donald Gordon, former chairman of the wartime prices and trade board, and reported in the Toronto *Daily Star* of March 19. Therefore subsidies have not been a costly experiment but, on the contrary, have held the price level for consumer goods down to a figure which has saved every Canadian householder hundreds of dollars.

The policy of the Canadian government in purchasing goods from abroad in bulk quantities assured a continuance of the largest possible supply of tropical products such as tea, coffee, citrus fruits and vegetable oils. Rationing assured to everyone a reasonable supply of the essential foods, and I must com-

mend the government at this time for the control policy which they followed during the exacting war years.

But the policy of decontrol which they are at present following must be viewed with some alarm. The present policy is forcing the cost of living higher day by day and should have been withheld until goods are in more plentiful supply.

The advocates of decontrol would like to make the public think that, freed from restriction, business would serve the consumer just as well as, if not better than under the price control system, but it appears obvious to everyone now that, without controls, prices will seek the level they have reached in the United States. United States business pledged to hold prices but, when controls were removed, prices in the period from June to December, 1946, rose 15 per cent and are still rising. The real income of workers and farmers decreased accordingly. The people affected the greatest and those in most distressing circumstances are people on small incomes, old age pensioners, disabled veterans and widowed mothers with large families to support. Many can recall the real distress and suffering which was the lot of the same groups in the early twenties, when prices soared to unreasonable heights. In parts of western Canada sugar in 1920 sold for thirty cents a pound, bread at twenty cents a loaf, shoes for $20 a pair and clothing at double the usual prices.

I do not believe that anyone wishes a repetition of those conditions unless it be the people who make enormous profits out of a rising market. Complete decontrol now will ultimately lead to such a situation. It is well on the way. Prices in the United States are at present higher than in 1920, with but few exceptions. The policy of too hasty decontrol being followed by this country is causing an alarming increase in prices here which will soon overtake the high prices in the United States. In Montreal, according to the Montreal *Gazette* of February 4, 1947, pastries and rolls were up over the preceding month by ten per cents; shortening, thirty-three per cent; raisins, twenty-five per cent, and milk, fifty per cent. Bedding, soap and clothing are still advancing. Since the ceiling was removed from maple syrup the price advanced from $3 to $5 a gallon, or an increase of 66⅔ per cent.

On the prairies, farm machinery advanced 12½ per cent, gasoline two cents a gallon, and binder twine, $7.50 per 100 pounds. The ceiling has been removed on distillate and gasoline quite recently and it is expected that these commodities will also register another advance. When prices rise on goods which the farmer must have, his cost of production is certain to increase.

The prices of what the farmer sells in normal times are for the most part determined by export trade levels and are today set by the long-term agreements negotiated by the government. The principle of these agreements was accepted by the C.C.F., with the proviso that prices on consumer goods would be held down by the continuance of the price control policy of the government. It is obvious that the farmer's position will be worsened by the decontrol policy followed by the government today, and it is grossly unfair to hold the prices down on commodities the farmer has to sell, while allowing other prices to soar. The farmer's operating costs are increasing substantially, while the price he will receive for his primary products will be virtually unchanged until 1950. For this very reason concern about the increase of prices on consumer goods is most extensive in the west, particularly amongst the farming population, according to a recent Gallup poll.

The income of the farmer has been to a large extent set. If prices of consumer goods are allowed to advance it will be equivalent to a reduction in the prices realized for his primary products.

In so far as labour is concerned, the complaint is registered by labour organizations that there has been a general advance in prices all along the line, and there has not been a corresponding wage increase. This is equivalent to a wage cut and a lower standard of living for the workers. Wage increases gained by labour last year after, in many cases, a most difficult struggle, have been wiped out by increased costs of consumer goods. The Toronto district labour council, as reported in the Toronto *Daily Star* of March 10, by resolution called upon labour immediately to seek wage increases in order to meet the increased cost of living. This is the direct result of the government's decontrol policy.

Big business is demanding higher profits before increasing production. In this way they hope to force the government to hasten the decontrol process. A similar attitude prevailed in 1939 in connection with the production of war supplies when industry held out for larger profits before signing war contracts. The government's hand was forced then and it is apparent it is being forced again. When big business takes this attitude it is on strike just as much as the worker who walks off his job and joins the picket line. The difference is that the government meets the demands of industry for higher prices which come out of the consumer's pockets, but does

not come to the aid of workers in need, as, for example, the steel workers at Hamilton last year and the coal miners in the maritimes now who are on strike for nothing more than a living wage.

Big business argues that increased wages materially increase costs of production. Of course there is some increase, but not to the extent which is claimed. Every wage increase, small though it may be, brings demands from the manufacturer for increased prices for his goods. But wage increases do not appreciably increase the cost of production unless they are very large. In the United States it was revealed in the eighteenth quarterly report of the O.P.A. that the percentage of price increases for fifteen major industries, which include petroleum, food, iron and steel, and textiles between January and September, 1946, required to cover wage rises was only 2·5 per cent, but the actual price increase demanded of the public by the same industries was a little less than eighteen per cent, or seven times more than was necessary to meet the increased labour costs. When consumers are informed that labour costs have increased the prices of consumer goods they should keep in mind these figures so that they may be able to place the responsibility for the high prices they pay where it rightly belongs.

The decontrol policy of the government is not popular with the great mass of Canadian people. In January of this year, sixty-six per cent of the people interviewed by the Canadian institute of public opinion registered their disapproval of the removal of price control. This represents a cross-section of the Canadian public and may be considered as a fairly accurate gauge of public reaction to increasing prices. If two-thirds of the Canadian public are opposed to decontrol of prices at this time I suggest to my Progressive Conservative and Social Credit friends that such a large percentage of the Canadian public must include a good many Conservatives and social crediters who do not approve their party's stand on this matter.

More recently a survey conducted by the same institute revealed that the public was still of the same mind. In answer to a question, "If it were your job to decide the first problem to be tackled by parliament at Ottawa which of these would you put at the top of the list?" there followed a list of important problems facing the Canadian people, but at the top of the list in the answers was placed the control of prices and the cutting of taxes. Everyone recognizes that these are the two items which figure largely in the family budget. The government is reducing expenditures so that there is promise of tax reductions, but the policy of decontrol which the government is now following, at a time when production has not yet caught up with demand for consumer goods, is increasing prices contrary to the wish of the great mass of the Canadian public.

One must assume that the government, by continuing such a programme is being dictated to by big business who are the only people which can benefit by decontrol; big business represented by the Canadian Manufacturers' Association which in Toronto on January 28 of this year called for a removal of price control as soon as possible.

Consumers are of the opinion, as revealed by surveys to which I have referred, that controls should be maintained until goods are in plentiful supply. They should be retained until production has reached a stage at which they can be removed without increasing prices of goods to consumers. Should prices increase much more, they will reach a level that will discourage buying, since people will not have money enough to go around. A surplus of goods will then result which, in turn, will cause lessened production with unemployment in its wake.

Controls should be maintained as an anti-inflationary measure. There is less inflation in Canada as a result of the government's war policy of price control than in the United States. But we are rapidly nullifying the effect of this policy by removing controls too quickly. Inflation is always to be feared. A boom is inevitably followed by a slump. Westerners can remember only too well the effects of the slump in the thirties when, according to the Rowell report, page 175, table III, the following prices were paid in Saskatchewan in 1932: wheat, thirty-five cents a bushel; rye, twenty-four cents a bushel; cattle, $20 per head; oats, thirteen cents; barley, nineteen cents; eggs, 8½ cents a dozen; butterfat, fourteen cents a pound.

No one in his right senses wants a return of such conditions. But the policy of too rapid decontrol will lead to it. Present policies are causing inflation. Inflation can have but one result—recession or depression. The government must assume responsibility for the high prices which consumers must pay in the immediate future if its present programme is continued. It will be held responsible for the aftermath which will follow. I appeal to the government to reimpose controls on all essential commodities before it is too late and to discontinue its policy of decontrol as soon as it is humanly possible to do so.

Public opinion is demanding that the price line be held. Old age pensioners are asking for it; the disabled veteran is hoping for it, and both the worker and the farmer are insisting upon it. On these grounds, we in this corner of the house appeal to the government to take immediate action to arrest the upward trend of prices of consumer goods so that the Canadian people may not be the victims of the distress and suffering that such a policy engenders.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I hope I shall not be considered out of order if I express to you and to the ministers a certain degree of sympathy for having listened to this very long debate on this particular resolution, but I feel that some value will accrue from the discussions which have taken place, because I believe there is no problem about which the people of the country are more perplexed than the question whether controls should be removed or should not be removed. It seems to me that the various parties are not so widely separated in the objective which they are striving to achieve.

I could subscribe wholeheartedly to the final remarks made by the hon. gentleman who has just sat down, namely, that the country wants the government to stop the rising cost of living. I believe that every party in this house wants to prevent the cost of living from going up, but the problem which faces us, the problem which the country is interested in, is to find the method of stopping this increase in the cost of living.

From the point of view of the removal of controls, I think this debate has brought out quite clearly that there are certain controls at least which do retard production, and if production is retarded, then is there not a danger of the cost of those particular articles going up? I can give one or two examples to show where control has definitely retarded production in certain small, particular items, and these are items the production of which has been undertaken by certain returned veterans whom I have met in my own constituency. In some cases they have been able to overcome the difficulties.

I would refer to one particular type. A group of young air force men started making souvenir furniture which was placed on sale in the city of Victoria and was readily bought by United States tourists. Everyone seemed to be happy. The veterans were turning out the goods; the retail merchants were selling them, and the tourist was taking away something he could remember Victoria by. But the controllers caught up with it and said that the article produced by these veterans of the Royal Canadian Air Force was selling for more than a similar article was sold for before the war. Actually this was nothing more than a souvenir coffee table which was decorated with inlaid wood and so forth and made to look quite attractive, but the ruling was that a coffee table was a coffee table, no matter how much you dolled it up, and therefore it would have to sell at the price at which coffee tables were selling in 1939.

I wrote to various departments about the matter and got most courteous letters in reply, but the result was that no change could be made in the price, and therefore these veterans had to stop making that particular article, and so they produced no more of this souvenir furniture which was so attractive to tourists coming to Victoria.

I would illustrate that type of control by another example. I refer to two veterans who started crushing lime out of an old limestone quarry. It was what you would call a one-horse show. One veteran broke the rock and put it into the crusher, and the other man bagged it up at the end of the crusher and took it out and distributed it to nearby farms. They were selling this crushed lime at $6 per ton bagged, and their united efforts enabled them to put through from two to three tons a day of really hard work. Oh, no! They could not sell the crushed lime at that price because there was a control upon it, and about a hundred miles away there was a quarry run by a bigger concern which was able to sell at the quarry mouth crushed limestone at $4 a ton, bagged. This happened to be on an island and there was no one going to that island to buy any of this crushed limestone at the quarry, so that the company had to ship it, and was able to ship by means of their barges to cement works in other parts of British Columbia. The selling of the limestone was very much a side issue with them. When they had a little by-product surplus which they could deliver, they were prepared to sell it to farmers next to this little quarry where these two veterans were trying to turn out the product for $6. The company were able to sell it at $11 a ton, for it had never been sold in that area at anything less than $11. Those two veterans would have been put out of business, and the farmers in urgent need of the crushed lime in that area, because of the shortage of that type of mineral in the pasture lands, would have suffered in consequence. Threatening letters were sent to the veterans. They were told that if they offered the product for sale or attempted to sell the limestone at more than $4 a ton they could be prosecuted. I must

admit that in that case, after nearly six months of correspondence, it was agreed to let them go on selling the crushed limestone at $6 a ton, as a special concession.

There, I suggest, are two examples of the type of control which is retarding production. Another type of control which seems to be objectionable is the control where the administration of it costs more than the benefits that accrue from the control on the price of the goods. If you have to have a great many inspectors, administrators and agents travelling all over the country, checking on the various storekeepers, taking up their time in producing returns and proving that they are living up to every little detail of the regulations, I suggest that the cost of that administration takes away from the take-home pay of the wage-earners of the family more than is saved to the housewife of the family in getting that particular commodity at a cheap price.

It seems to me that these two types of control must definitely come off if we are to stop the increase in the cost of living.

For just a few minutes tonight I wish to refer to another form of control which to a certain extent is covered in this omnibus bill. It is not a control of prices but is, I think I could say, a control of men's habits. One of the fifty-five orders in council deals with the interim army. I wish to ask whether it is necessary to maintain an interim army at this time. We realize perfectly well why the interim forces were established after the war, during a period of uncertainty when no firm policy had been devised for the regular forces of the crown. It was necessary to have a force in the interim, an interim force, as it was called.

The pattern for the future defence force has been decided on, and we find that the army are short of recruits. Letters are being sent out from the adjutant general's branch to veterans, I presume, or to a large number of veterans—it is addressed, "Dear veterans" —asking them to come back into the forces in order to make up the numbers required not only in the active army but also in the reserve army. Yet we still keep several thousand officers and men in this interim army, and by one of these orders in council are continuing this interim army until September of this year. Surely any man who has been in that interim force has had plenty of time to decide whether he is anxious to go on soldiering in the regular forces of the crown. He can make his decision. Just because there are no vacancies, is there any reason why he should not go in? But if he does not want to go in, or if the officers of the department do not want that particular man in the regular forces, why not let him get out now? Why not let him go into industry and work producing some commodity which is urgently required? There are still men who are in neither the active force, which in the old days was called the permanent force, or in this interim force but who are still in the active army—that is the wartime army—although they have never disclosed their intention of remaining in the interim army or of going into the active force. Those men in the old war-time active army are, I presume, being retained there under the provisions which are made in these orders in council. Why do we need all these men, some of whom are unwilling soldiers?

There is another regulation which governs the behaviour, shall I say, of the army. It says that the active army and the interim army in Canada are still on active service. I suggest that is an unnecessary control on the habits, behaviour, deportment and discipline of the men of this country. Why should the army in Canada today be considered on active service? I think that is a form of unnecessary control which gives an indication of the inability of the government to release itself of powers which it obtained during the war. After some of the remarks which were made last night in this house, one is diffident about suggesting that we should copy what has been done in Great Britain. But I offer for consideration that the active army or the regular army in Great Britain is no longer on active service, while the regular army here in Canada is on active service. I cannot avoid feeling that is a ridiculous control. It affects the well-being and the method of life of the soldier who is in that force, because the scale of punishments while an army is on active service is much greater than the scale of punishments for the same military offences when the army is on its peace-time status. Theoretically, while on active service a man can be shot at dawn. I am not going to suggest it will be carried to that extreme, but the scale of punishment is much heavier on active service than it is in ordinary peace-time soldiering.

There is another point which governs or controls the lives of the soldiers. In peace time, a soldier who becomes dissatisfied with the conditions of the service or who has an opportunity of going to a better job and bettering his mode of life has the option of breaking his contract by purchasing his discharge; but as long as our army here is on active service, a soldier is not permitted to purchase his discharge. I know of a young man who decided that he would remain in

the regular force, the active force, and some eighteen months ago he signed up so to do. He is a well educated boy and has become disappointed with his prospects. We know that sort of thing happens quite frequently. He has applied no less than five times to purchase his discharge. The reply has always come back—and this has been referred, so I am told, to the senior officers of the department—that "the active army of Canada is still on active service here in Canada; therefore you may not purchase your discharge." That is the case of only one individual of whom I know; probably there are others, but I think it indicates the frame of mind which may exist over on the government benches which makes it so frightfully difficult for them to relinquish the authority and power they have enjoyed.

I know this debate has revolved mainly around the question of price control as far as commodities are concerned, but I wanted to bring in these illustrations of this other form of control, namely control of our armed forces. I cannot avoid thinking that at the present time, nearly two and a half years after the end of the war, it is unnecessary to control the lives of our soldiers to such an extent that we say they are still on active service here in Canada.

I want now to mention just one other point in reference to veterans; that is, the freezing order which has prevented a veteran from occupying a house he purchased or that was purchased for him during the war. If he had occupied that house before he enlisted and went overseas I believe he could insist upon the tenant moving out; but, as the war went on, our men came back and purchased houses with their savings and gratuities, or acquired them by other means. Until now they have not been able to remove the tenants occupying those homes unless those tenants have been unsatisfactory in that they have not paid their rent, and so forth. Recently, of course, the restrictions were modified slightly, but only to a narrow extent; that is, from one fixed date to another. At the moment I have forgotten the actual dates within which the freezing order has been lifted, but I think it was up to the end of 1945. A veteran purchasing a house after that date cannot get possession of that house.

I have had brought to my attention several cases in which real hardship is being caused. I know of one veteran who is living in a bunkhouse, holding on to a job he does not want, until he can get a place to live. He has a place of his own, with some five acres of land, only a few miles away. In the middle of the war, out of the kindness of his heart, he allowed another family to move in. That family is not working the land, which is lying idle; this veteran has to keep a job he does not want, thereby preventing another man from getting that job, and his land must remain idle because he cannot remove the tenant. One could go on and give numerous cases of that kind, and I suggest that the removal of certain controls—even including those connected with rents—which make it difficult for a veteran to move into his own house should be undertaken, because that is working a definite hardship on many men who have been overseas.

To sum up, I feel that controls which retard production, controls which cost too much to administer, and controls which unnecessarily govern the lives and mode of living of men, should be removed.

Mr. L. W. SKEY (Trinity): Mr. Speaker, as one of those members of this house who recorded a vote against the address in reply, I should like to put the record straight to some extent by saying I was not voting against every measure or every control dealt with in the bill which will be founded on this resolution. I was recording a vote against what I consider to be the socialism it contains, and the socialism under which the control boards operated during the war. I appreciate that there will be some hardship as a result of removing controls; yet I feel that these controls are such as to lead to socialism, and therefore we should be prepared to face what hardship may result from their removal in order that we may get back to a free society and a free way of living.

I also believe that the abuses and costs under these controls are greater than the benefits derived from them by individuals or industry. I am in agreement with the statement tonight by the hon. member for Temiscouata (Mr. Pouliot) against boards, controllers and enforcement officers. It seems to me that it would not be a very great step from an enforcement officer to a secret policeman; and I could cite a case exactly similar to the one cited by the hon. member. I have in mind a young veteran in Toronto who obtained a licence to sell used cars. This young veteran also seems to have incurred the displeasure of the wartime prices and trade board office in that city, because he has been persecuted. Every person to whom he sold a car was interviewed by the enforcement officer and, I am informed, practically threatened by that officer that, unless he disclosed the exact price of the car, and unless he was prepared to inform against this used car

salesman, he was in danger of being prosecuted by the government. Some of these people saw an opportunity to say they had paid more than the ceiling price, and to make a claim against this veteran. Others were terrified and came to him saying, "What can we do? This enforcement officer has called on us and said all these things, when we know it was a legitimate purchase." That veteran has been in court twice; he has been fined thousands of dollars, and he informs me that this enforcement officer has said he will put him out of business.

Those are some of the abuses which can take place under an organization such as the wartime prices and trade board. Just about a year ago, in agreeing with the hon. member for Temiscouata that these boards should be responsible to parliament, I suggested in this house that Mr. Gordon, who was then chairman of the wartime prices and trade board, should be brought into the house, not only to relieve the then Minister of Finance of the onerous burden he was carrying—perhaps the budget was a result of that—but also to make him responsible to parliament. I also advocated that, for this reason, I felt that one who had been so remote from the public, as the then chairman of the wartime prices and trade board had been, would find it a healthy and refreshing experience to face the electorate of Canada, and that the electorate of Canada would have had an opportunity to express their opinion of the chairman of the wartime prices and trade board. I thought it would be a healthy procedure all round, and the Minister of Finance would also have been relieved of the burden of defence which he had at that time.

I have one further observation to make before asking Your Honour for the privilege to adjourn the debate. It was my opinion last summer, and it still is, that the unfortunate intervention of the then chairman of the wartime prices and trade board in the steel strike was the cause of prolonging that strike and bringing hardship to the labourers and union men in Hamilton; and that had he not made his ten-cent speech, had he not been supported by the Minister of Labour (Mr. Mitchell), by the present Minister of Finance (Mr. Abbott) and by the Minister of Reconstruction and Supply (Mr. Howe), the strike could have been settled in a much shorter time.

How foolish all these ministers and controllers must feel now, when they recall that they said a ten-cent increase in pay for the steel workers would break the price ceiling! How foolish the Minister of Labour must feel, when he recalls that he rose time and time again and said, "You cannot have price control without wage control"—and now, only a few months later, the government has removed wage controls and is still struggling to maintain price control.

On motion of Mr. Skey the debate was adjourned.

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

Monday, March 24, 1947

The house met at three o'clock.

BRITISH COLUMBIA TELEPHONE COMPANY

INCREASE OF AUTHORIZED CAPITAL

Mr. THOMAS REID (New Westminster) moved the first reading of Bill No. 59 (from the senate), respecting British Columbia Telephone Company.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 60 for the relief of Evangeline May Connelly Stervinou.—Mr. Maybank.

Bill No. 61 for the relief of Olive Viola Olsson Ferguson.—Mr. Maybank.

Bill No. 62 for the relief of Evelyn Ethel May Reich Macdonell.—Mr. Maybank.

Bill No. 63 for the relief of Ernest Edward Lippiatt.—Mr. Maybank.

Bill No. 64 for the relief of Elizabeth Butler Roberts Lambton.—Mr. Maybank.

Bill No. 65 for the relief of Libby Margolese Smith.—Mr. Maybank.

Bill No. 66 for the relief of Jean Elizabeth Hancock Thompson.—Mr. Maybank.

Bill No. 67 for the relief of Isabella Hodgson McRae Edwards.—Mr. Maybank.

Bill No. 68 for the relief of Marjorie Aileen Copping Ladouceur.—Mr. Maybank.

Bill No. 69 for the relief of Annie Mildred Parnell Smellie.—Mr. Maybank.

Bill No. 70 for the relief of Veronica Donnelly Hope Johnstone Shelley.—Mr. Maybank.

Bill No. 71 for the relief of Irja Alina Agnes Vaisanen Shanahan.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PETROLEUM PRODUCTS

Mr. BURTON:

1. Is there a ceiling price set by the fuel controller on the following petroleum products: (a) gasoline; (b) kerosene; (c) distillate; (d) diesel fuel; (e) fuel oil for heating purposes?
2. What is the ceiling price on each of the above in (a) maritime provinces; (b) Quebec and Ontario; (c) prairie provinces; (d) British Columbia?
3. Was an increase in the ceiling price granted on any of the above petroleum products since the first of November, 1946?
4. If so (a) in what regions; (b) how much did the increase amount to; (c) for what reason was said increase granted?

Mr. MAYHEW:

1. (a) The wartime prices and trade board announced on March 12 that maximum prices on gasoline and tractor distillates would be suspended from price control effective April 1. Price ceilings on these products continue in effect until that date.

(b) Maximum prices on all petroleum products other than gasoline and tractor distillates were suspended effective January 13, 1947.

(c) Answered by (a).

(d) Answered by (b).

(e) Answered by (b).

2. As indicated above, no price ceilings now apply in the case of kerosene, diesel fuel and fuel oil for heating purposes. In the case of gasoline and tractor distillates, the statement below indicates the current maximum prices for any locality on the basis of the prices ruling in that locality on September 30, 1941:

Increase above prices Sept. 30, 1941

Gasoline

Maritime Provinces, 1 cent per imperial gallon.

Quebec and Ontario, 1 cent per imperial gallon.

Prairie Provinces, 2 cents per imperial gallon.

British Columbia, no increase.

Tractor Distillates

Maritime Provinces, no increase.

Quebec and Ontario, no increase.

Prairie Provinces, 2 cents per imperial gallon.

British Columbia, no increase.

3. Yes.

4. An increase of 15 cents per barrel in the maximum price of heavy fuel oil sold in British Columbia was authorized in November, 1946. The increase did not apply to the sales of one large distributor who had received a similar adjustment somewhat earlier. The adjustment in maximum prices was approved after a review of the cost positions of the major distributors concerned and offset in part increased costs of crude oil from the United States.

CONSOLIDATED REVENUE AND AUDIT ACT—LEGISLATION REGULATING FINANCIAL TRANSACTIONS

Mr. MACDONNELL (Muskoka-Ontario):

1. What consideration has been given by the government to the recommendation of the auditor general in paragraph 6 of this report, that existing legislation be reviewed in order that statements made to parliament clearly reflect the operations of the public service?
2. What conclusions have been reached?

Mr. ILSLEY: The recommendation has been referred to the appropriate officials of the departments concerned, for report as to what specific measures or action would be necessary to carry out the recommendation and further consideration will be given to the matter when their report is received.

SUPERVISION OF DISPOSITION OF FINES

Mr. MACDONNELL (Muskoka-Ontario):

1. What consideration has been given to the recommendation of the auditor general that the Department of Justice should supervise the disposition of fines collected or ordered to be paid? (Paragraph 19 of report.)
2. What conclusions have been reached?

Mr. ILSLEY: The recommendation has been referred to the appropriate officials of the departments concerned, for report as to what specific measures or action would be necessary to carry out the recommendation and further consideration will be given to the matter when their report is received.

IMMIGRATION

Mr. TIMMINS:

1. How many immigrants were admitted to Canada in the year 1946?
2. From what lands did the emigrants come, and how many from each land (a) male; (b) female?
3. How much money did they bring into Canada with them?
4. How many were farmers?
5. How many were mechanics?

Mr. GLEN:

1. Immigration to Canada during calendar year 1946—71,719.

2. Country of last permanent residence—

	Males	Females
Africa (Br.)	44	71
Africa (Not Br.)	33	36
Australia	126	107
Austria	118	14
Belgium	107	743

	Males	Females
Bermuda	25	28
Bulgaria	1	....
Central America	8	9
China	59	59
Czechoslovakia	96	72
Denmark	22	8
Eire	111	357
England	9,285	31,527
Esthonia	3	1
Finland	3	1
France	136	218
Germany	439	47
Greece	32	8
Holland	205	2,029
Hungary	15	9
India	68	55
Ireland, Northern	174	469
Italy	22	27
Japan	4	8
Yugoslavia	7	5
Latvia	1	2
Lesser British Isles	14	20
Lithuania	1	1
Mexico	20	18
Newfoundland	1,036	1,556
New Zealand	50	46
Norway	132	43
Palestine	6	5
Poland	310	88
Portugal	26	24
Roumania	3	4
Russia	2	9
St. Pierre and Miquelon	3	8
Scotland	1,550	6,404
South America	69	74
Spain	35	30
Sweden	7	10
Switzerland	9	6
Syria	....	2
United States	5,553	5,921
Wales	236	837
West Indies (Br.)	219	175
West Indies (Not (Br.)	25	21
Other Countries	33	24
Totals	20,483	51,236

3. $26,063,667. This amount includes value of settlers' effects.

4 and 5. Occupation—

	Via Ocean Ports	From U.S.A.	Totals
Farming Class			
Males	431	638	1,069
Females	166	258	424
Children	154	385	539
Mechanics			
Males	2,249	713	2,962
Females	587	219	806
Children	381	206	587

[Mr. Glen.]

SUBSIDY FOR HAULING OF CORDWOOD, FLIN FLON AREA

Mr. MOORE:

1. What subsidy per cord was paid under the wartime prices and trade board order for the hauling of cordwood in the Flin Flon area to Flin Flon, Manitoba?

2. For what years was the subsidy paid?

3. Who had the contract or contracts to haul this wood?

4. What was the remuneration on each contract per year?

Mr. MAYHEW:

1. No transportation subsidy has been paid for the hauling of cordwood in the Flin Flon area to Flin Flon, Manitoba.

2, 3 and 4. Answered by No. 1.

WAR ASSETS—DISPOSITION OF BUILDINGS AT ST. CATHARINES

Mr. LOCKHART:

1. What buildings, of what type of construction and size, have been sold, and to whom, and at what price, by war assets corporation at elementary school No. 9 at St. Catharines?

2. What disposition is proposed for buildings still held by war assets corporation at St. Catharines airport?

Mr. McILRAITH:

1. The following buildings at No. 9 elementary flying school, St. Catharines, Ontario, have been disposed of by war assets corporation and sold to the purchasers indicated:

Building No. 9—other ranks' quarters and recreation building—"H" shaped hut, frame construction on cement posts, each wing 24′ 120′, connecting wing 60′ x 35′, sold to Anthes Imperial Limited, St. Catharines, Ontario, price—$1,600.00.

Building No. 10—other ranks' quarters and recreation building—"H" shaped hut, frame construction on cement posts, each wing 24′ x 120′, connecting wing 60′ x 35′, sold to Anthes Imperial Limited, St. Catharines, Ontario, price—$1,600.00.

Building No. 18—wireless telegraphy station —one storey frame construction on cedar posts. Dimensions 45′ x 24′ x 12′. Sold to the city of St. Catharines, Ontario, price—$371.00.

These buildings were sold conditional upon the purchasers removing them from the sites and restoring the land to its original condition.

2. The buildings which are presently being used by war assets corporation at the St. Catharines airport are:—

Buildings Nos. 1, 2, 3, 4, 5, 6, 11, 12, 19, 21, 27 and hangar No. 2. These buildings are on loan to war assets corporation from the Department of Transport and, when no longer required, will be returned to that department.

CANADIAN NATIONAL RAILWAYS—NIAGARA PENINSULA

Mr. LOCKHART:

Respecting the present service on the C.N.R. in the Niagara peninsula between the United States border and Toronto, 1. Have any complaints been received from United States citizens complaining of the antiquated equipment now being used in the Niagara peninsula area of the Canadian National Railways between Toronto and the United States border?

2. Have complaints been received from persons residing in the Niagara peninsula?

3. If so, what is being done to rectify the present situation?

4. If not, will the matter be investigated at once?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:

1. No.

2. Yes.

3. Every effort is being made to rehabilitate equipment which has been subjected to heavy use in recent years. The availability of materials and skilled labour affects the progress of this rehabilitation programme.

4. Answered by No. 3.

MERCHANT MARINE—GRANTS OR ALLOWANCES FOR WAR SERVICE

Mr. GIBSON (Comox-Alberni):

1. Are any gratuities, allowances or grants paid to members of the merchant marine who served during the war years?

2. If so, how do they compare with payments to those who served in the armed forces?

3. If not, what steps have been taken by the government to grant these men gratuities and allowances?

Mr. CHEVRIER:

In so far as the Department of Transport is concerned:—

1. The monthly remuneration of able seamen was increased to a basic rate of $89.93, to which was added a war risk bonus of $44.50, making a total of $134.43 per month.

Income tax was paid on the basic rate only, war risk bonus and subsistence being exempted.

A special bonus of 10 per cent was paid on gross earnings, for a minimum period of six months' service in dangerous waters prior to April 1, 1944, provided a seaman signed an agreement to serve for two years or the duration of the war, or alternatively, signed an agreement to join a reserve of seamen to serve if called upon. Merchant seamen who have received a special bonus for service prior to April 1, 1944 are eligible to participate in the Veterans Insurance Act.

A war service bonus of 10 per cent on gross earnings was paid for service subsequent to April 1, 1944 until the end of the war, for seamen who served on agreement or were listed as permanent employees of a Canadian company.

Leave on pay at the end of each year on agreement, at the cumulative rate of two days for each month of service, was allowed, together with round trip rail transportation from a manning pool to the seaman's home, at the low cost of one-third of the one way fare.

Merchant seamen on agreement on completion of service were entitled to receive railway transportation from the port of discharge to their place of permanent domicile.

During service on a manning pool two year agreement a merchant seaman, if incapacitated for sickness or injury, received basic pay for a maximum period of twelve weeks.

Merchant seamen who qualified for the special bonus are entitled to vocational training to assist them to advance in their profession at sea.

Merchant seamen who left civil employment to serve at sea during the war are entitled to the benefits of the reinstatement in Civil Employment Act.

Pension for disability incurred from enemy action or counter-action is payable to merchant seamen serving on any Canadian ship, and to Canadian merchant seamen serving on ships of allied nations employed in service essential to the prosecution of the war. A disability pensioner is entitled to free medical care, with allowances during hospitalization for his pension disability, and is eligible to participate in the benefits of the Veterans Land Act and the Veterans Insurance Act. If debarred by their disability from following their former profession of seamen, they may be given vocational training under the Veterans Rehabilitation Act for any occupation.

In case of death from similar causes, widows and dependent children are pensionable.

A Canadian merchant seaman in receipt of a pension from an allied nation is entitled, during residence in Canada, to have his pension raised to the Canadian scale.

Merchant seamen detained by the enemy received a detention allowance, equivalent to their basic pay and war risk bonus, and also the special bonus. Dependents of merchant seamen who were detained by the enemy received appropriate portions of this detention allowance for their maintenance, the balance being paid to the seaman on his return to Canada.

Unemployment insurance coverage for merchant seamen came into effect on October 1, 1946, and by a special provision under the act

seafarers have been placed on a parity for unemployment insurance purposes with Canada's wartime armed forces. Under this provision many seamen are given credit for wartime service without payment of contributions after they have become established in insurable employment.

Medical and dental care is extended to pensioners while men on service are covered by the sick mariners fund and Merchant Seamen's Compensation Act.

2. It would be very difficult to make such a comparison, inasmuch as the benefits differ so widely.

3. Answered by No. 1.

OFFICIAL SECRETS ACT—ROYAL COMMISSION

Mr. DIEFENBAKER:

1. Is the Kellock-Taschereau royal commission still functioning in whole or in part?
2. Does the said commission retain any powers which it is now exercising or might exercise at its discretion?
3. Has its status as a royal commission terminated? If so, when?
4. Who authorized the addendum recently appended to the report of the words to the effect that it should not be assumed that the evidence in the several cases in which the defendants were acquitted was the same as that adduced before the royal commission?

Mr. ILSLEY:

1. No.
2. No.
3. Yes—June 27, 1946.
4. The government.

WARTIME HOUSING—MONCTON

Mr. GILLIS:

1. How many units were built by wartime housing in the city of Moncton, New Brunswick?
2. What was the original cost per unit?
3. Are they now being sold? If so, at what cost per unit?

Mr. McILRAITH:

1. 200 housing units are under construction of which 106 are practically completed and are now occupied.

2. The cost per unit will not be known until the contract is completed.

3. None have been sold to date.

MOUNTED POLICE—FINGERPRINTS

Mr. STEWART (Winnipeg North):

1. How many fingerprints of individuals are in the files of the Royal Canadian Mounted Police?
2. How many of these fingerprints are of criminals?
3. Are fingerprints of non-criminals kept in the files of the R.C.M.P.?
4. If so, for what reasons?
5. On how many occasions have they been used for these reasons?

[Mr. Chevrier.]

Mr. ILSLEY:

1. (a) Criminal collection—766,723; (b) civil collection—1,147,585.

2. Answered by number 1.

3. Yes, in a separate collection.

4. To identify unknown dead persons or amnesia victims when so requested by an authorized source.

5. Two hundred and eighty-four times since 1936-37 with ninety-three identifications.

NATIONAL HARBOURS BOARD—EMPLOYEES' WAGES, QUEBEC AND HALIFAX

Mr. ISNOR:

1. Has a wage increase been considered for employees of the national harbours board at the port of Quebec?
2. If so, has it been approved?
3. If approved, will the same increase apply to the employees of the national harbours board at the port of Halifax?

Mr. CHEVRIER:

Answers furnished by the national harbours board.

1 and 2. Under consideration.

3. Already granted.

HEALTH AND WELFARE DEPARTMENT—"FILLERS" CIRCULATED TO NEWSPAPERS

Mr. FULTON:

1. Who writes the "fillers" which are circulated to newspapers by the Department of National Health and Welfare?
2. Is the position of writer of "fillers" a paid position?
3. If it is a duty involving only part of the time of an official or officials of the department engaged on other publicity work, what percentage of his or their time is so employed?
4. What salary or salaries are paid to the writers of "fillers?"
5. What qualifications for this work have the writers?
6. What is the total cost of composing, printing and distributing these "fillers" for the fiscal year ending March 31, 1947, including salaries of writers?

Mr. MARTIN:

1. "Fillers" are written by editors in the information services division of the department.

2. Yes. Writers of "fillers" produce this material as a minor part of their duties.

3. The equivalent of 5 per cent of the time of one editor.

4. Salaries of editors range from $1,920 to $3,120, per annum.

5. Writers of "fillers" are qualified by years of practical journalistic experience, backed by professional advice of the department's medical officers, who not only suggest subjects for the "fillers" but approve the material so prepared before it is issued.

6. Approximately $150 for paper and envelopes. Mimeographing is done in the department. It is impossible to compute the amount of salaries which would be applicable.

HOUSING—VETERANS—VALLEYVIEW PROJECT, KAMLOOPS

Mr. FULTON:

1. What is the highest cost price to the director of the Veterans' Land Act for any of the houses in the Valleyview project at Kamloops, B.C.?
2. What is the lowest cost price to the director of the Veterans' Land Act for any of the houses in this project?
3. What is the average price per unit to the director of the Veterans' Land Act for any of the houses in this project?

Mr. TUCKER:

1. House only, $7,421.84; complete unit, $8,646.90.
2. House only, $6,339.83; complete unit, $7,508.79.
3. House only, $6,871.16; complete unit, $8,067.27.

"Complete unit" includes house, land, roads, septic tank, water main and service, driveways, landscaping, and a contingency of $100.

UNEMPLOYMENT INSURANCE COMMISSION—W. H. THOMPSON

Mr. IRVINE:

1. Has the justice department ordered the release from gaol of W. H. Thompson, of Edmonton, after serving only two months of a five-months' conviction for defrauding the unemployment insurance commission of $260?
2. If so, on what grounds?

Mr. JEAN: With the concurrence of the trial magistrate and of the unemployment insurance commission, this man was released for Christmas 1946—three weeks before the expiry of his sentence.

VETERANS ATTENDING UNIVERSITY

Mr. FULTON:

1. Are all ex-service students attending universities in Canada under D.V.A. sponsorship, entitled to dental as well as medical treatment at government expense during the whole duration of their course?
2. If so, what steps have been taken to advise both D.V.A. counsellors and students of this fact?
3. Are any further steps being taken to prevent confusion in this regard?

Mr. TUCKER:

1. Yes, subject to the conditions set forth in order in council P.C. 4465 of June 13, 1944, as amended.

2. This benefit was emphasized during training courses for counsellors. The regulations referred to in 1 constitute part of the counsellor's handbook. The counsellor advises the veteran of this benefit when application is made for training.

3. Constant liaison is maintained with each university veterans advisory service.

HOUSING—VETERANS—VALLEYVIEW PROJECT, KAMLOOPS

Mr. FULTON:

1. What is the total amount applied to the Valleyview project under the order in council making $1,000,000 available to adjust the costs of Veterans' Land Act houses?
2. What is the maximum adjusted cost to the director of any house in the Valleyview project?
3. What is the minimum adjusted cost to the director of any house in this project?
4. What is the average adjusted cost to the director of any house in this project?

Mr. TUCKER:

1. $44,036.31.
2. House only, $6,519.00; complete unit, $7,551.34.
3. House only, $5,184.00; complete unit, $6,160.24.
4. House only, $5,596.00; complete unit, $6,599.39.

"Complete unit" includes house, land, roads, septic tank, water main and service, driveways, landscaping, and a contingency of $100.

COMBINES INVESTIGATION ACT—PROSECUTIONS

Mr. FULTON:

1. How many (a) informations have been laid; (b) prosecutions have been launched under the Combines Investigation Act since the coming into force of the amendments to that act passed at the last session of parliament?
2. If any, how many of each are the result of action by (a) private individuals; (b) attorneys general of Canada or of the provinces?
3. What has been the outcome of any such proceedings?

Mr. ILSLEY:

1.(a) The Department of Justice has no knowledge of any informations having been laid by private individuals or by the attorney general of any province. (b) None by the attorney general of Canada.
2. Answered by No. 1.
3. Answered by No. 1.

EELGROUND INDIAN RESERVE ROAD, NORTHUMBERLAND COUNTY, N. B.

Mr. HOMUTH:

1. What work was done or moneys expended on the Eelground Indian Reserve road, parish of North Esk, county of Northumberland, N.B., during the latter part of 1946 or January, 1947?
2. Were tenders called for the work?
3. If so, what tenders were received and from whom?

4. What were the amounts of the various tenders?
5. Was the work awarded to the lowest tenderer?
6. To whom was the contract let, and at what amount?

Mr. GLEN:

1. $1,500 was authorized for gravelling from provincial highway to the school corner, 4/10ths mile. Grading and ditching to be completed this spring (1947).
2. No. Indian agent, Eelground reserve was asked to ascertain whether provincial government would undertake the work as in previous years. This arrangement could not be made.
3. Tenders were not called owing to the lateness of the season (middle November). The agent made the best arrangements locally for having the work completed.
4. Answered by No. 3.
5. Answered by No. 3.
6. Mr. Warren Flett, Newcastle, N.B., $1,500. Upon advice from the provincial district highway engineer the contractor deferred the ditching and grading until spring, 1947, when the contract is to be completed.

CENSUS—PRAIRIE PROVINCES

Mr. HAMEL:

1. Was a census of the population taken in the provinces of Manitoba, Saskatchewan and Alberta during the year 1946?
2. If so, what was the total population in each of the said provinces?
3. What was the population in each of the said provinces (a) by racial origin; (b) by religious denomination?

Mr. MacKINNON:

1. Yes.
2. Manitoba, 718,699; Saskatchewan, 823,438; Alberta, 795,007. Preliminary figures.
3. The 1946 census was confined to an enumeration of the population and to securing other information required for essential purposes. No information was obtained on religious denominations and other matters that are contained in the more complete decennial census.

HOUSING—CONSTRUCTION BY PROVINCES 1945-46

Mr. HAMEL:

1. What is the number of dwelling houses built in each province during 1945 and 1946?
2. What is the total number of housing units built in each province during 1945 and 1946?
3. How many houses were built in each province during 1945 and 1946 comprising (a) one housing unit; (b) two housing units; (c) more than two housing units?

Mr. McILRAITH: The answer to this question is contained in the answer to a question asked by the hon. member for Winnipeg North Centre, which was made on March 10, 1947, as reported at page 1163 of *Hansard*.

[Mr. Homuth.]

Mr. KNOWLES: And which was not a complete answer.

Mr. CHEVRIER: That should end it.

INDEBTEDNESS OF CANADA TO U.S.S.R.

Mr. GAGNON:

What is the total indebtedness of Canada to the U.S.S.R.?

Mr. MAYHEW: Nil.

INDEBTEDNESS OF U.S.S.R. TO CANADA

Mr. GAGNON:

1. Does the amount of $5,000,000 owed Canada by the U.S.S.R., for a loan authorized by order in council P.C. 7822 dated September 1, 1942, bear any interest?
2. If so, at what rate?
3. When will the principal be repaid?

Mr. MAYHEW:

1. Yes.
2. Three per cent.
3. The last instalment of principal is repayable on September 8, 1947.

INDEBTEDNESS OF U.S.S.R. TO CANADA

Mr. GAGNON:

1. Does the amount of $2,848,171.48 owed Canada by the U.S.S.R., for a loan made by the government of Canada under The Export Credits Insurance Act, bear any interest?
2. If so, at what rate?
3. When will the principal be repaid?

Mr. MAYHEW:

1. Yes.
2. Two per cent.
3. The last instalment of principal is repayable on August 31, 1950.

*CANADAIR LIMITED

Mr. FRASER:

1. What was the total cost including wages, aeroplane engines, materials of all kinds, facilities, land, building plant, machinery and tooling of the Canadair Limited from the time of the government purchase of this property until sold to the Electric Boat Company?
2. What was the total sale price agreed on between Canadair Ltd. and the dominion government?
3. Who were the officers of the Canadair Limited?
4. Who are the present officers of the Canadair Limited?

Mr. HOWE: The answer to parts 1 and 2 of this question are contained in the statement I made to parliament. The first part of the question is misleading in that the government did not purchase the property at Cartierville. The information that is asked for is also contained in my statement, together with the balance sheet referred to in an order for return which will be passed and tabled shortly. As

far as 3 and 4 are concerned, the two companies referred to are private companies and the matter is not one of public record.

FAMILY ALLOWANCES

Mr. GOLDING:

1. How many children receiving family allowances moved to a higher age group during the month of January, 1947?
2. What percentage of children in pay moved to a higher age group during the month of January, 1947?

Mr MARTIN:

1. 58,149.
2. 1·63.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CHICOUTIMI, QUE., RURAL MAIL SERVICES

Mr. GAGNON:

1. How many rural mail services are in operation in the county of Chicoutimi?
2. What is the name of each mail carrier?
3. What is the salary of each?
4. What distance must each mail carrier travel to perform his work?
5. What is the expiry date of each contract?

SUBSIDIES

Mr. TIMMINS:

1. What commodities in Canada received subsidies in the year 1946 and what was the amount of the subsidies in each case?
2. What amount in 1946 was estimated to pay the subsidy on milk and what was the amount of the subsidy actually paid?
3. What commodities are to receive subsidies in 1947 and what is the estimated amount of subsidy for each commodity?

WOODEN CRATES AT BELLEVILLE RAILWAY SIDING

Mr. FRASER:

1. Do the wooden crates on the railway dump at railway siding near C.N.R. Belleville station, belong to any department, crown company or corporation of the dominion government?
2. If so, what is the name of the department, company or corporation?
3. If they belong to any department, company or corporation of the dominion government what do these crates contain?
4. Have any new crates been placed on this dump lately?

SHIPMENT OF CANADIAN GRAIN THROUGH PORTLAND, MAINE

Mr. HAZEN:

1. How many ships will be loaded with Canadian grain at Portland, Maine, this month, for transport overseas?
2. What are the names of the ships and how much grain will each of them transport?
3. Were the box cars that carried Canadian wheat to Portland for these ships all owned by the Canadian National Railways or were some of them owned by United States railways, and if so, how many?

HOUSING—VETERANS—VALLEYVIEW PROJECT, KAMLOOPS

Mr. FULTON:

1. How many faulty cesspools have been reported in the Valleyview project since its completion?
2. How many faulty interior sump-pits have been reported in the Valleyview project since its completion?
3. How many furnaces have had to be moved in the Valleyview project since its completion?
4. In how many houses was it reported that the plumbing froze during the winter owing to being located too close to the outside walls in this project?
5. In how many cases is it necessary to move the plumbing as a result of the last named default?
6. What is the total cost of the alterations resulting from the above and such other defects as may have been found to exist at the Valleyview project, which the department has undertaken to have carried out?
7. Who is to bear these costs?
8. When will alterations be commenced?
9. When is it anticipated that they will be completed?
10. Will veterans occupying these houses be required to sign contracts for payment of the purchase price of their houses before the repairs and alterations are completed?

CONTRACTS FOR ADVERTISING AGENCIES

Mr. LACOMBE:

1. What advertising agencies were employed by the government for the distribution of its advertising in the daily or weekly newspapers or other publications during the years 1940 to 1946 inclusive?
2. What are the amounts of the contracts awarded by each department to each advertising agency in each of the above-mentioned years?

FEDERAL GOVERNMENT PROPERTY IN OTTAWA DISTRICT

Mr. FRASER:

1. What property in Ottawa city, or within ten miles of the city boundaries, is owned or rented by the dominion government?
2. How many square feet of space in each property?
3. What is rental, or cost of upkeep, of each property?
4. In what buildings are janitor services included?

COMMUNISM—FOREIGN PERIODICALS

Mr. WINKLER:

1. Were foreign periodicals or newspapers sympathetic to or favouring communism permitted entry into Canada during the recent war?
2. Was a periodical called *Narodna Volya* published at 524 Olive street, Scranton, Pennsylvania, permitted entry into Canada during the recent war? Is it permitted entry now?

RACING—TAX REVENUE 1945-46

Mr. McLURE:

1. What amount of money in taxes did the government collect from the pari-mutuel betting at the horse races (both harness and running races), in Canada for the years 1945 and 1946?

2. What are the names of the tracks or associations and the amounts collected from each?

3. What did it cost the government to collect same?

4. What race tracks or associations did the government make grants to?

CANADIAN ARMED FORCES—MOTOR VEHICLES—TRANSFER FROM OTTAWA TO OTHER STORAGE DEPOTS

Mr. FRASER:

1. Were any motor vehicles, owned or stored by any branch of the armed services of Canada, transferred from depots or storage in the city of Ottawa, or depots or storage within ten miles of Ottawa, to other depots or storage space in Ontario?

2. If so (a) how many vehicles were transferred by each department; (b) to what place were these vehicles transferred?

3. Were any of the above vehicles transferred to the war assets corporation?

4. If so, of what make and number?

MOTIONS FOR PAPERS

VETERANS LAND ACT—KAMLOOPS—VALLEYVIEW PROJECT

Mr. FULTON:

For a copy of any report or reports made to the Minister of Veterans Affairs following the recent special investigation into the cost, construction and condition of the houses in the "Valleyview" project built under the Veterans' Land Act at Kamloops, B.C., and particularly of any recommendation as to refinancing submitted therewith.

Mr. MACKENZIE: I understood a week ago when the reports were tabled that my hon. friend would be prepared to drop this motion.

Mr. FULTON: I am prepared to drop the motion, but I would ask the minister whether he will give instructions that the report he tabled on Friday be printed. Such instructions were not given, and it is not possible for members to obtain copies through the distribution office. Will the minister have a limited number printed so that members may have it?

Mr. MACKENZIE: I shall have to consider that.

Motion dropped.

HOUSING—VETERANS LAND ACT

Mr. MURPHY:

For a copy of all correspondence, contracts or agreements, or other documents in lieu of agreements entered into by the government, or any department or agency of the government, between January 1, 1943, and February 25, 1947, with architects, for plans and specifications, or either, for use in constructing homes under the Veterans' Land Act.

HOUSING—VETERANS LAND ACT

Mr. MURPHY:

For a copy of all correspondence, contracts or agreements, or other documents in lieu of agreements entered into by the government, or any department or agency of the government, between January 1, 1943 and February 25, 1947, concerning veterans' homes and holdings, in each province, for each area where three or more homes have been built under Veterans' Land Act.

Mr. LENNARD: The hon. member for Lambton West is pleased to have the motion dropped on the understanding that he may redraft it and have it put back on the order paper.

Motion dropped.

HOUSING—VETERANS LAND ACT—BOUCHERVILLE, QUE.

Mr. MURPHY:

For a copy of all correspondence, contracts, agreements, memoranda and other documents in lieu of contracts entered into by the government, or any department or agency of the government, between January 1, 1943 and February 25, 1947, concerning veterans' homes and holdings at Boucherville, Quebec; also copy of all time sheets and invoices in connection with the above.

Also a copy of plans and specifications for each house constructed in the above area.

Mr. TUCKER: The subject matter of the motion is *sub judice*, both in the criminal and in the civil courts. I must ask that the motion be dropped.

Mr. LENNARD: Stand.

Mr. TUCKER: No; dropped.

Mr. SPEAKER: Dropped.

Mr. LENNARD: The hon. member is not here. It stands.

Mr. TUCKER: The matter is *sub judice* both in the criminal and in the civil courts. There are several prosecutions involved and there is a civil action so that the matter is *sub judice* in every way. I ask that the motion be dropped.

Mr. GRAYDON: Mr. Speaker, this is the second or third time that this reason has been advanced by the government for not answering a question. I only want to raise this point of order, that I do not think the fact that the matter is *sub judice* is necessarily a good defence to not answering the question. I think the matter should be cleared up.

Mr. SPEAKER: Order. The hon. member knows that, the matter being *sub judice*, the question cannot be answered.

Mr. GRAYDON: But the question cannot be *sub judice*. It only calls for the production of certain documents which might be used in the trial, but the question is not a *sub judice* matter.

Mr. SPEAKER: As the matter has been referred to the courts, it is *sub judice*.

ELDORADO GOLD MINES

Mr. DIEFENBAKER:

For a copy of the evidence taken in connection with the investigation of Eldorado Gold Mines Limited and an alleged conspiracy by Carl French, Marcel Pochon and Boris Pregel to defraud the said company and the report by the commissioner, Mr. Glassco in connection therewith.

Mr. HOWE: I have previously reported to the house that the information asked for in this return is not yet in possession of the government. I have however made inquiries and I find that even if the information were in the hands of the government it could not be tabled, for the reason that it contains information which is of a secret character affecting other governments as well as the government of Canada. The hearings were held in camera, for reasons that appealed to the attorney general of the province of Ontario as justifying that procedure. It was at the request of another government that the hearings were held in camera, and the reasons for secrecy are as firm today as they were at that time. Therefore I must advise that it is not in the public interest to table the information.

Mr. DIEFENBAKER: Will the minister file the reasons for the change in attitude towards the three men, Carl French, Marcel Pochon and Boris Pregel? I understand they were committed for trial—

Mr. SPEAKER: Order. The hon. member knows that these motions are not debatable. I will permit him to ask a question of the minister, if that is his intention, but I cannot permit a debate.

Mr. DIEFENBAKER: With the greatest respect, Mr. Speaker, may I say that I am not debating the motion; I am making a request of the minister, because if we are for ever to be bound by answers such as the one just given, whether proper or not, we cannot discharge our responsibilities. I am asking the minister whether he will not place on the table of the house the reasons why, after these men were committed for trial, a decision was made by the government that criminal proceedings should not be gone on with, but that civil proceedings should be substituted therefor.

Mr. HOWE: I shall be glad to table the letter from Mr. John Robinette, the prosecutor appointed by the Department of Justice, and also the letter from the Department of Justice which conveyed Mr. Robinette's letter to me.

Mr. GRAYDON: Will the full story be in those?

Mr. STEPHENSON: Mr. Speaker, may I—

Mr. SPEAKER: I have just reminded the hon. member for Lake Centre that these motions are not debatable, and I would ask that other hon. members be guided by what I said to him. May I point out that the Speaker is not responsible for these rules; they are the rules of the house. If hon. members are not satisfied with the rules of the house, they know what they should do.

HOUSING—VETERANS' LAND ACT—BRAEFOOT ESTATE PROJECT, VANCOUVER ISLAND

Mr. PEARKES:

For a copy of the report of the joint investigating committee, under the chairmanship of Mr. McCarter, appointed to investigate the cost and construction of the houses built under the Veterans' Land Act on the Braefoot estate project at Saanich, Vancouver Island, British Columbia.

Mr. PEARKES: As this report was included as an appendix to a larger report, may the motion be dropped?

Mr. MACKENZIE: Thank you. I may say that I was overgenerous. I had a second report ready for my hon. friend.

Mr. SPEAKER: Dropped.

DOMINION ELECTIONS

APPOINTMENT OF SPECIAL COMMITTEE TO STUDY ACT AND AMENDMENTS THERETO

Hon. COLIN GIBSON (Secretary of State) moved:

That a special committee consisting of Messrs.: Beaudry, Bertrand (Prescott), Brooks, Cote (Verdun), Fair, Fournier (Maisonneuve-Rosemont), Gariepy, Gladstone, Hackett, Hazen, Kirk, Lockhart, MacInnis, MacNicol, Marier, Marquis, McKay, Murphy, Mutch, Richard (Gloucester), Ross (Hamilton East), Sinclair (Vancouver North), Sinclair (Ontario), Stirling, Zaplitny, be appointed to study the several amendments to the Dominion Elections Act, 1938, and amendments thereto, suggested by the chief electoral officer, to study the said act, to suggest

to the house such amendments as the committee may deem advisable, and report from time to time, with power to send for persons, papers and records and to print the proceedings, and that the provisions of section 1 of standing order 65 be waived in respect of this committee.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Before this motion is debated, Mr. Speaker, I have a word of praise for Mr. Jules Castonguay, chief electoral officer. He is a most remarkable civil servant because he answers the letters he gets the day he receives them. He should be mentioned as an example to many others.

I have been interested in Mr. Castonguay from the beginning, when he was paid $4,000 a year. He was working very hard and was doing the work that another man, who was the grandson of a prime minister, did not do and for which he was paid $12,000. At that time I brought the matter up and was delighted that some consideration was given to Mr. Castonguay. He deserves special mention because he gathered the votes from all over the country at the last election. He has shown his efficiency. If he makes a recommendation to improve the act, I shall probably find it a good recommendation.

We have had experience of the unequal operation of the elections act. Before 1930 the election act was satisfactory; it was a good act. Between 1930 and 1935 it was changed by the administration of the day and made complicated and unsatisfactory. After the general election of 1935 the Liberal party decided to improve it. Then a committee met, in the daytime and at night, for a whole session, but it was impossible for them to reach a conclusion. The following session they met again. They fought hard, had bitter discussions, worked day and night, and finally made a report which was excellent. Do you know what it was, sir? The report recommended that the Bennett act be repealed and replaced by the previous act, something which could have been done by a very short bill without imposing so much work on the committee. But it was necessary to keep the members busy and to chase all evil thoughts from their minds. That is probably the only purpose achieved by the elections committee during the two sessions in which they worked so hard without accomplishing very much. My hope is that this time the members of the committee will not be fooled by such proposals, that they will have something serious before them and that their work will not be in vain.

Motion agreed to.

[Mr. C. W. G. Gibson.]

VETERANS AFFAIRS

REPORTED CLOSING OF D.V.A. HOSPITAL AT SYDNEY

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I wish to direct a question to the Minister of Veterans Affairs arising out of telegrams which I have been receiving from veterans' organizations in Nova Scotia with regard to the proposed closing of the Department of Veterans Affairs hospital at Sydney, Nova Scotia. Can the minister inform the house if the government have definitely decided to close this hospital, or will his department give further consideration to the matter?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): The government has made no final decision in the matter as yet. This week the director of treatment services is down in the beautiful country whence my hon. friend comes, and when he returns I shall be able to make a further announcement to the house.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Friday, March 21, consideration of the motion of Mr. Ilsley that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

Mr. L. W. SKEY (Trinity): Mr. Speaker, on Friday evening last we were debating the omnibus bill, and I had a few remarks to make about controls. Today I should like to follow up the remarks of the hon. member for Eglinton (Mr. Fleming) on Friday when he proved to this house, as I believe you will agree, that controls are the essence of socialism. I say socialism cannot thrive without controls, and that socialism is contrary to human nature. That is my belief; and I address the house on this subject because on Thursday, March 20, the leader of the C.C.F. socialist party (Mr. Coldwell) laid down a challenge to this house to divide on this issue.

That is why today I choose to debate the subject that socialism is contrary to human nature.

First let me give a quotation or two. The first one is found in Benham's Quotations, and is from Dean Inge's book "Prognostications on Social Life in the Next Hundred Years". He says:

> The three strongest instincts in human nature are religion, the family, and private property.

Where does socialism come in there? Then in another place he goes on to say:

> What is called socialism is simply political bribery on a large scale.

There is only one period in history when socialism will work. That will be after the second coming, when we are in the millennium, but fortunately we will not need it then because we will have a better government. Lest you think I am biased in my quotations, Mr. Speaker, I should like to quote from something said by Pope Leo XIII on December 28, 1878:

> Socialists, communists and nihilists strive to uproot the foundations of civilized society.

That is taken from the New Dictionary of Quotations; and at another point in the same speech he said:

> These monstrous views—these venomous teachings . . .

Just to show that the Roman Catholic church has not changed its views I quote from something said by Pope Pius XI on May 15, 1931:

> No one can be, at the same time, a sincere Catholic and a true socialist.

My quotations today are not taken only from the clergy. I also have some from laymen, and here is what they have to say. In 1884 Herbert Spencer said:

> All socialism involves slavery.

F. J. C. Henshaw, in "A Survey of Socialism", published in 1928, said socialism is—

> The combination of religious sentimentality, industrial insanity and moral obliquity.

Then I quote the views of Mr. H. L. Mencken in "Prejudices" at page 109:

> Socialism is simply the degenerate capitalism of bankrupt capitalists . . .

That is taken from the Home Book of Quotations; and in the same quotation Mr. Mencken goes on to say:

> Its one genuine object is to get more money for its professors.

I return to the authority from whom I quoted first, Dean Inge, to quote a little couplet he wrote on the subject:

> What is a socialist? One who has yearnings
> To share equal profits from unequal earnings
> Be he idler or bungler or both he is willing
> To fork out his sixpence and pocket your shilling.

I have covered the clergy and the laity, Protestant and Catholic, but I cannot for a moment forget one of our finest modern writers, one whom I am sure other hon. members admire as I do. I refer to Mr. Somerset Maugham, who once wrote a paragraph on this subject which I believe to be as pertinent as anything I have ever read. He said:

> For all the vaunted hopes and promises—there is no single instance where socialism has succeeded in bettering the lot of the common man.

You may ask, Mr. Speaker, why I have put these quotations on record. I can answer that question in a moment by saying I have done this because I have a mandate from my constituency to oppose socialism in every form in which it may find its way into this house. In my constituency are men of all religions, all races and all creeds. Since it is in the heart of Toronto you may think it is dominated by Anglo-Saxons, but that is not altogether true. It contains a great many who have their roots in central Europe, many of Polish and Ukrainian origin, many from the Baltic states, and numerous others. These men, these European-born Canadians, know what socialist and totalitarian governments mean. They do not have to be instructed in what their relatives still in Europe have suffered under those governments.

Mr. MacINNIS: That is why their relatives in Europe vote for those governments every time they have a chance.

Mr. SKEY: This may hurt my socialist friends, and I do not blame them for yapping a bit about it. I say to the hon. member for Vancouver East (Mr. MacInnis) that these men whose roots are in Europe know what socialism means. They know what it is to have the iron heel of authority on their necks. They know socialism is an expanding doctrine, that socialist and totalitarian states are anxious to expand and to dominate not only Europe but this continent as well.

Mr. ARCHIBALD: Tell us about R. B. Bennett's slave camps.

Mr. KNOWLES: What did your friends do to the Speaker in Ontario?

Mr. SKEY: I understand he resigned; it is a free country.

Mr. KNOWLES: It was dictation from the Tory government benches.

Mr. SKEY: We find socialism creeping in upon the country in a most interesting way. It starts with benevolence. Here are the great benefactors of the people, clothed with kindness, and with the purpose of raising up the common man! Then we move from benevolence to tolerance. As the next step they tolerate the views of the people. Then after tolerance we reach the point where they impose controls on the people. After controls there is enforcement; and after enforcement there is protection of those who are doing the enforcing. After that there is policing; and after policing there is the process of individual investigation. After that come the purges; and after that dictatorships—and finally tyranny and darkness. That is the path which we will take if we follow socialism.

Mr. KNOWLES: A perfect description of capitalism.

Mr. SKEY: Here is a quotation from the Union of Soviet Socialist Republics, a socialist state. The New Dictionary of Quotations contains this:

> The temporary victory of socialism in one country alone is possible, but its lasting victory in one country alone is impossible. That demands the victory of the revolution in other lands as well.

That is Joseph Stalin on Leninism, in 1926. I returned from the last war filled with admiration for the courage and bravery of the Russian soldiers who fought as our allies. But I cannot for one moment approve their philosophy of government, its teachings, its treatment of its own people or of some of the enslaved people in Europe. I am sincere in my belief that socialism will not work to the advantage of mankind. My socialist friends may be glad to hear that I am ready to admit capitalism is not all good. It has some abuses. But it is our privilege as members of a free parliament to rectify those abuses. Capitalism is subject to the law makers. We, who are the law makers, are subject to the electorate. The electorate are free to change their law makers at any time.

These times are not the times to be neutral; rather they are times to follow a positive course, to look ahead, to see the lessons of history, the lessons of the past.

In common with members of many other parliaments, we in this house have been accused by Major John W. Foote, V.C., of failing to lead the people. He is another Canadian who wears the Victoria Cross, in common with two members who belong to this party. At Fort William on March 23 Major Foote is reported by the *Globe and Mail* to have said that politicians are—

> —mealy-mouthed and have not the brains in many instances to bring out a constructive programme.

He goes on to say:

> "Too much narrowness and bitterness is sweeping the country today, creating a gulf between races and creeds. But problems of Canadians are simple in their elementary nature. Only interest and goodwill are required for a solution." He had a word of praise for labour organizations that have purged their ranks of outside leaders.

Mr. CRUICKSHANK: He was speaking of Toronto.

Mr. SKEY: He was speaking at Fort William.

Mr. CRUICKSHANK: But of Toronto.

Mr. SKEY: No, I think he was referring to the part of the country my hon. friend comes from, as well. I have never noticed the hon. member speaking without prejudice. Then, to quote further from the newspaper report:

> The country was in the most precarious stage of its history because of differences of opinion in various sections; there was more disunity than ever before.

I said that this is no time to be neutral, that the government would do well to follow a positive course, to trust the representatives of the people and listen to their advice. In the three sessions I have sat in parliament I have never heard either of those two hon. members, who carry the same decoration from His Majesty as is worn by Major Foote, advocate any policy in which they did not believe, or did not know was for the good of the country as a whole.

I plead with the government to forsake their controller mistresses in the ivory towers of Ottawa, and to return to the House of Commons the power to govern. This is the challenge of the times. What actually happened was that we went to sleep one night in the summer of 1945 and awoke to find atomic energy a reality—to find ourselves in a new world. History is on our doorsteps. Today we see the United States of America, a young and vigorous but perhaps immature country, summoned—challenged—to lead the world. We in the Americas must respond with her, to keep the flickering light of freedom alive for western civilization. If we in Canada wish to preserve our birthright of British freedom we must be intelligent enough to understand its worth, and we must fight with all our vigour against the inroads socialism has made on this continent.

Mr. BENOIT MICHAUD (Restigouche-Madawaska): Mr. Speaker, I would not have taken part in the debate had it not been for

representations made to me by a considerable group of electors who signed numerous petitions calling for the abolition of all controls. I shall deal later on with the matter of these petitions, and the information which I received from those whose names appear on them. What are these so much abused controls, after all? Judging from the tone of some members of the opposition one would be led to think that they are some sort of contagious, shameful disease. This may sound impressive to the unthinking, but to those who care to give the matter serious consideration, those controls are simply part of the law of this land. It is true that in these days this law of the land is much more considerable than it was a hundred years ago, or perhaps even fifty years ago. There is no question that the volume of federal and provincial laws and orders in council and regulations made thereunder has increased considerably. All this makes an imposing amount of legislation, but it is all based upon the proper legislative authority and hence it is the law of the land. Obviously all this legislation must have been good and desirable at some time and for that reason it cannot be condemned outright without a hearing. The most that can be said of some of these regulations is that they may have outlived their usefulness and should now be repealed.

The fact that very few of them have been singled out for particular criticism goes to show that the matter of their usefulness is generally recognized. For instance, the timber controls were debated with some amount of heat in this house on March 10 and we find that the Minister of Reconstruction and Supply (Mr. Howe) gave very good reasons for their retention. As far as I can recall, whenever any specific control has been attacked on the floor of this house there has always been a good reply made to the criticism.

A prominent British statesman, I think it was Edmund Burke, once made a remark in a jesting mood that the best governed country was the one with the fewer laws and the fewer taxes. That may sound all right to the unthinking, but how does it measure up to the facts? Listening to hon. members opposite one would think that they agree with such a statement, but I respectfully suggest that they compare our standard of living with that of other people who have fewer laws and fewer controls. Possibly there are a number of countries or peoples in Asia or Africa which are not burdened much with either laws or taxes. I am quite sure that the natives of Africa and of many parts of Asia are not in any way bothered by irksome controls such as the stipulation that they must cover certain parts of their bodies, but if one of those people were to look into our laws, usages and customs I am sure he would find that they are unnecessary and stupid restrictions which curtail unduly our freedom, and very likely he would denounce them with the same scathing language as that used by some hon. gentlemen in the course of this debate or the debate on the address.

Our modern civilization has become quite complex within the past century. In 1846 our population was mostly rural, and our farmers bought and sold very little. Industry was in its infancy and there were few manufactured articles compared to what there are today. Consequently trade was negligible in the terms of present day language. As we progressed our economy became more diversified, even to the point where our farmers are drifting into specialized farming, something altogether unheard of one hundred years ago. With an economy becoming daily more diversified, we need more laws and regulations if we are to benefit from our progressive specialization.

At this point I wish it to be well understood that I am not suggesting that our increased volume of laws and regulations is the cause of our material advancement. I simply want to observe that it accompanies it almost invariably in every country which enjoys a standard of living similar to ours as a result of greater industrialization and a greater diversification of production. There was a time in this country when we did not have any highway laws, and very little in the nature of game laws, liquor laws, income tax laws, and so on. Does anyone suggest that the degree of freedom enjoyed by our forefathers was more desirable than our present restricted freedom and increased social scurity? I think it is impossible to make progress along the line of social security unless we impose upon ourselves certain restrictions which do not inconvenience us to any great degree. Personally, I cannot say that I have suffered very much as a result of controls and rationing. On the other hand, like all of us, I have been inconvenienced by them on more than one occasion. And at this point I feel that I should take to task the hon. member for Pontiac (Mr. Caouette) who is reported on page 1641 of *Hansard* of March 21 as having said:

(Translation):

Mr. Speaker, there is not to my knowledge a single member of the house who, because of rationing, has had to go without sugar, butter

and clothing although our constituents and the citizens of this country in general were subjected to rationing.

This statement can only mean one thing, namely, that there is one set of laws applying to members and another set applying to the people in general, which is a monstrous falsehood. The hon. member for Pontiac (Mr. Caouette) knows very well that the law is the same for everyone. He must have noticed that notwithstanding his position as member of parliament, the income tax deductions are made at the source, at the end of each month, from his indemnity cheque. The law applies to members on both sides of the house as well as to low wage-earners.

Such language reflects the demagogic and thoughtless statements which unfortunately fill the pages of the Social Credit newspaper *Vers Demain* of which the hon. member has quoted lengthy excerpts in his latest speech.

I said at the beginning of my remarks that representations on this contentious matter of controls were made to me by a group of my constituents. Here is the gist of their requests:

Mr. Benoit Michaud,
Member for Restigouche-Madawaska.

Sir,

The undersigned, constituents of yours, absolutely opposed to all war-time and post-war controls, express the wish that you do all you can to have them removed this very session, for the following reasons:

1. Controls are slowing down all production.

2. By curtailing production, they are causing higher prices.

3. They are depriving citizens of their freedom.

Anxious to find out if this petition was serious and justified, I sent each signer the following circular:

Sir or Madam,

Your name appears on a petition that recently reached me requesting removal of all controls. Though I do not as a rule send individual replies to signers of petitions, in this particular case, for very special reasons and without in any way undertaking to reply to signers of any future petitions. I wish to answer those who saw fit to make representations to me on this ticklish matter of controls.

In the first place, may I point out that I take little stock in representations of this character, bearing all the earmarks of a put-up job by a handful of people. I have just received from some of you a set of pink cards all bearing the signature of the same person. It is obviously a put-up job instead of a free and individual expression of opinion on the part of those whose names appear on the cards. Such is the case with most petitions that come to us.

Now, let us come to the substance of the petition.

1. Are you fully aware of the scope of your representations? No member of this house has, at yet, requested the removal of all controls.

[Mr. Michaud.]

At that time, the hon. member for Pontiac had yet to express an opinion on the matter of controls.

Are we to believe that you are better qualified than they to pass judgment on the measures which create so deep a division in the public opinion at the present time?

2. And now, if you favour the removal of certain controls in particular, let me know which, in your opinion, should be removed.

3. If you can convince me that the removal of such or such a control will cure the ills of which you are complaining, I shall be the first to demand their removal.

4. It is an easy matter for people who are in no way responsible to the population to favour one measure or another without any knowledge of their consequences. I would be very much interested in knowing how many, among the signers of the petition, would be willing to make their eternal salvation dependent on the efficiency of the measures they favour for the greater good of the greater number.

5. Finally, do you know that large organizations of your district are forwarding representations favouring the maintenance of controls? Who has the more foresight in these circumstances? Let us hope that our leaders, and their technical advisers, from the lofty observation posts they occupy, will be in a position to discover the best means of ensuring the greatest measure of material welfare to the greater part of our people.

For all the above mentioned reasons, I support the government's policy on the matter of controls, because I am convinced that their advisers are in a better position than you or I to decide what controls should be kept for a while. I consider these advisers as good doctors who prescribe bitter medicine to their patients, because it is essential to their recovery.

For your information I am enclosing copies of the five talks given by Mr. Gordon in November last. They explain much better than I could do it myself the advantages of these very irksome controls for the economic life of our country. I hope Mr. Gordon's explanations will satisfy you and help you better to understand why the government is deciding to keep certain restrictions in force for a period of time.

Mr. GAUTHIER (Portneuf): Hear, hear!

Mr. MICHAUD: In reply to my circular, I have received, so far, six letters. Here is the first. Listen carefully; what suaveness!

Mr. CAOUETTE: The electors know what they want.

Mr. MICHAUD:

Obviously controls are useless and serve only to favour the black market; the same applies to the speeches of dictator Donald Gordon who controlled our dollars during the depression when people starved in spite of mountain-high supplies of products and when Canadian farmers, asked not to till the soil, were paid to this end with taxes collected from the very masses who were dropping with hunger; then began the grand slaughter designed to sell Europe to Joseph Stalin in order that communism might flourish with Tito and his kind.

The same ration expert who had done so well during the depression was appointed to dictate to Canadians what their standard of living should be and to forbid them to spend as they saw fit . . .

Mr. CAOUETTE: That's right!

Mr. MICHAUD:

. . . after having collected a large proportion of their money in taxes used to present strangers with gifts and to pay interest on our wonderful debt-creating financial system.

Speaking of organization, we are setting up in every parish of the various constituencies an electors' union which will insist on results from their member of parliament.

Mr. CAOUETTE: Good!

Mr. MICHAUD: I shall leave aside the next four and quote No. 6, issued by the Organization of the New Brunswick Union of Electors. It is signed by the president, the vice-president, the secretary and five directors, one of whom is the author of the first letter. May I cite a few gems from this tirade:

The people are fed up with the promises of their politicians. One does not need a university degree to see to what extent they are being exploited by the high priests of international finance which gave rise to political parties and their stupid politicians who allow the people to have bread to eat only when guns and engines of destruction are being manufactured for their mutual destruction, under cover of democracy and Christianity.

Mr. LESAGE: Is the member for Pontiac (Mr. Caouette) included?

Mr. CAOUETTE: The hon. member for Montmagny-L'Islet (Mr. Lesage) is.

Mr. MICHAUD: And further:

We are not surprised, because a member of a political party must, if he wishes to share in the electoral funds, obey the orders of his party rather than the will of his electors, and controls are much more essential to dictatorships and slavery than they are to democracy and freedom. That is why dictator Donald Gordon is preaching to us over the C.B.C. network—a network for which we are paying $2 a year only to be told lies every day of the year—that selfsame Mr. Gordon who, during the depression, while people were starving to death midst products of all description piled mountain-high was personally, and through the politicians of the day, stating that people had to starve and go about in rags precisely because of that overabundance.

Mr. Speaker, I apologize for those long quotations which to me, however, appeared essential to give hon. members and the many right-minded people among my electors an idea of what is being thought and written about controls by friends of the Social Credit in my constituency. And now, listen to those gentlemen from Alberta speaking "in New France" to use a favourite expression of *Vers Demain*. What are, exactly, the boundaries of that New France and why that expression? Would it be that France is now ruled by a socialist government and that it seems to be rushing headlong into communism? I should like to know.

Mr. CAOUETTE: You tell your colleagues.

Mr. MICHAUD: Mr. Speaker, there is evidently no control over the language used by those gentlemen in my constituency who go on merely repeating what has been so well taught them by the newspaper *Vers Demain*.

Mr. CAOUETTE: That is right. They follow faithfully the example set by their representatives.

Mr. MICHAUD: If we were to believe the statements made by that newspaper which mixes religion with economics the government and the politicians, except Social Credit members, would be mere exploiters of the people. Those are revolutionary statements which do not offer any solid or constructive proposals. Those renovators of society seem to have only one purpose in mind: to destroy without knowing what they could rebuild on the ruins. The letters which I have quoted are to my mind examples of demagogic appeals to popular prejudices.

Mr. CAOUETTE: Why not explain the meaning of the word demagogue?

Mr. MICHAUD: Mr. Speaker, I listened to three speeches by the hon. member for Pontiac and I refrained from interrupting him. As my time is limited and as I am anxious to complete my remarks, I would ask the hon. member to wait until I have finished my speech; then, if I have a few minutes left I shall endeavour to answer his questions if I deem it necessary.

As I consider such language dangerous, as well as several statements which appear in *Vers Demain*, I would ask the Social Credit members for Alberta in this house whether they approve of such verbal excesses. I would be very much surprised if they endorse those articles. I have heard them in this house and I know that they recognize the sincerity, the integrity and the devotion of all members of parliament. While they are at it, they could tell us what they think of New France of Messrs. Even and Grégoire, of Mrs. Côté-Mercier and others.

They could tell us what they think of what happened recently to the hon. member for Drummond-Arthabaska (Mr. Cloutier). As he was coming home a fairly large group of social crediters were waiting for him, for the purpose of ill-treating him—

Mr. CAOUETTE: Three social crediters—

An hon. MEMBER: A whole gang of them.

Mr. CAOUETTE: Yes, a whole gang. It takes a politician with cold feet.

Mr. MICHAUD: On the other hand, I ask the serious-minded people of my constituency—

Mr. CAOUETTE: Meaning the Liberals?

Mr. MICHAUD: —especially those with dependents, if they approve of such methods. I ask them what they think of the statement of the hon. member for Pontiac, as reported on page 1642 of *Hansard,* at which he clearly referred to what happened to the hon. member for Drummond-Arthabaska. I quote:

I would not be at all surprised to hear in the very near future that some hon. members from the province of Quebec who voted for the resolution will have to face delegations of electors from their various constituencies.

Those are the very words of a letter published in the Drummondville-Arthabaska newspaper by the local Social Credit leader.

Mr. CAOUETTE: We are responsible for the fear you experience. This is but the beginning.

Mr. MICHAUD: It should be noted—

Mr. CAOUETTE: Place yourself at the service of your electors before serving your party.

Mr. MICHAUD: It should be noted that I express no opinion on the principles on which the Social Credit monetary doctrine is based and to which I reserve the right of reverting later on. For the present, I shall be satisfied to reprove methods and dealings which threaten to become the rule among us. To my way of thinking they have much that resemble that of the fascists. They differ from those used by communism which is craftier and less vulgar.

Mr. CAOUETTE: It is not as bad as Liberalism.

Mr. MICHAUD: On this score, I shall quote a comparison from *Vers Demain,* of October 1, 1945, page 2:

More and better communists. Alone, perhaps, besides the Social Crediters, the Communists have to a degree that sense of personal responsibility toward the promotion of social and political ideas.

Mr. CAOUETTE: Read the whole article, instead of picking a single paragraph.

Mr. MICHAUD:

And yet, we believe that, in the province of Quebec at least, Social Credit supporters show far more dynamic energy and individual zeal than Communists, judging more especially by the results achieved.

[Mr. Caouette.]

Communists are tenacious, but Social Crediters are even more so. Communists are daring, but Social Credit partisans have it over them in this respect. Communists are as active as they can be, but Social Credit adherents again have the upper hand. Communists, for instance, were forced to drop their newspaper *La Victoire* while the Social Credit organ *Vers Demain* attained heights heretofore unscaled by any other newspaper.

Mr. CAOUETTE: Read the whole article.

An hon. MEMBER: No, we have had enough.

Mr. CAOUETTE: That is all you are capable of understanding.

Mr. MICHAUD: According to—

Mr. CAOUETTE: That's a pretty feeble intellect!

Mr. MICHAUD: According to Social Credit supporters, people are being exploited. Voltaire once said: "Keep on lying, and something of it will always remain." If you tell the people often enough that they are being exploited and make flashing promises, they will end by believing part of what you say.

Mr. CAOUETTE: You tell them so many stories that they will no longer believe you.

Mr. MICHAUD: All revolutions began like this. Let us look into the nature of this exploitation. Granted, there has been misery among the masses, but it is gradually disappearing. Will it some day vanish altogether? No one can foretell, but in order the better to appraise our own lot, let us cast a glance beyond our borders and see what happens elsewhere. In what other country do the workers live as well as in Canada? Why—and the fact is well known to us—do so many Europeans, of every class, ask for permission to settle in Canada?

Some hon. MEMBERS: Hear, hear!

Mr. MICHAUD: Recently, I read a newspaper article which claimed that 3 million British wish to come and live in Canada.

An hon. MEMBER: Forty thousand Japanese.

Mr. MICHAUD: There is a reason for this. Here is a piece of evidence which was not supplied by Liberals. I quote from an article entitled "Living Costs and Wages in Canada":

(Text):

Living Costs and Wages

Canada's favourable position shown by I.L.O. Figures

What has been happening to living costs and real wages all over the world is shown by articles in the latest issue of the *International*

Labour Review, the monthly publication of the international labour office. The fortunate position of Canada in both respects is made quite clear.

Taking the cost of living first. Of 12 countries mentioned, the over-all living costs in Canada have gone up least since 1937, taken as the base year. Thus, in Canada costs went up by 26 per cent only; while in Great Britain they rose by 32, South Africa 38, the United States 48, Sweden 50, Norway 65, the Netherlands 82.

And further down in the same article:

In most of the 12 countries mentioned above, the cost of food alone went up further than the over-all cost of living.

(Translation):

It is true that we are more fortunate than some other countries, but is not our good fortune due, to some extent, to the fact that after all the affairs of our country are not too badly administered?

Mr. CAOUETTE: This is due to the fact that the people are working; it is no credit to the government.

Mr. MICHAUD: The statements made at times by our opponents of all the parties of the house support my contention. Generally they claim that they would do better if they were in our places. It is to be expected. Then why make such statements as those which I have pointed out and which, like sensible people throughout the country, I strongly condemn? Before concluding, I shall quote the four other letters which I have received from my constituents in reply to a circular letter which I forwarded them. Letter number 2 follows:

I acknowledge receipt of your letter of February 25 in connection with a petition demanding the removal of all controls. I was very much surprised as it was the first inkling that I had of such a request. I wish to thank you for having written to me in this regard; otherwise I would not have known that someone had taken upon himself to sign my name to this petition without my permission . . .

Some hon. MEMBERS: Shame.

. . . and you can see for yourself by comparing the signature appearing on that petition with mine which appears hereunder.

I have compared the signatures with those appearing on the petition and none bore any resemblance with their true signatures.

I would like to know, however, who dared to sign my name without my permission.

For your information may I say that I am a low wage-earner and I have a great deal of trouble balancing my budget. I am convinced that price controls have certainly helped us to make both ends meet. I regret that the removal of several controls has resulted in a substantial increase in the cost of living which affects me personally.

I do not consider myself important enough to attempt to dictate to our representatives the policies which they should follow in the administration of public affairs, and I know that my knowledge is very limited in that respect.

I shall now read letter No. 3:

(Text):

I received from you quite recently a circular letter informing me that I had signed a petition for the lifting of all price controls.

I can assure you that I had nothing to do with the signing of any cards or petitions against price controls. Personally, I feel that the government has done a great work in the carrying out of these measures.

Thanking you for enlightening me to the fact that my name had been falsely used in the signing of these cards or petitions, I remain,

Yours truly,
Gerard Belliveau.

(Translation):

Mr. CAOUETTE: He didn't write that either.

Mr. MICHAUD: No, sir, as you shall see. We now come to No. 4:

Dear Sir,

I acknowledge receipt of the circular you apparently mailed to all alleged signers of a petition on price control.

Let me state at once that I never put my name to such a petition. Like several friends of mine who received your circular, I had not even heard about the matter.

Naturally enough, I would be interested in knowing who took the liberty of signing my name to a petition which I certainly disapprove.

Here is the fifth and last:

May I be allowed to reply to your letter of the 12th which came as an unpleasant surprise to me. I can't see who, in this district, could have had the nerve to use my name for insulting you this way. I have never criticized in any way the steps taken by our leaders with regard to price controls. My wife and I are indignant.

May I ask you as a favour to let me know who circulated this petition and thus used my name without my knowledge?

And there, Mr. Speaker, you have the tactics of the Union of Electors of New Brunswick.

An hon. MEMBER: It is the same everywhere.

Mr. MICHAUD: It is not hard to choose between these two groups.

Besides, I have had representations from a large labour union favouring the maintenance of controls. No one aside from those who signed the above mentioned petition, demand their removal. As these good people have advanced no serious arguments to support their claim, I cannot consider their request. I shall vote for the resolution in accordance with my convictions, as I have always done, even when I voted against my party. The

party to which I belong does not impose its will on its members. I support it, knowing full well what I am doing, having studied its programme and concurred in it before I decided to be a candidate, in 1945. As the government follow the policy decided upon which is infinitely better than that of any other party represented in this house. I do not have to hesitate in supporting them.

Mr. CAOUETTE: You are the only one in that position.

Mr. MICHAUD: I hope the crediters in my constituency will be gentlemen enough to give me credit for as much sincerity and devotedness as I give their leaders in this house.

And now, let us revert, if you wish, to the petition whose text was no doubt taken from the newspaper *Vers Demain,* since my friend, the hon. member for Provencher (Mr. Jutras), in far-away Manitoba, receives petitions worded exactly the same.

Mr. CAOUETTE: The war was the same for all the provinces and you voted for it.

Mr. LEGER: Try and improve on your learning.

Mr. CAOUETTE: Speak for yourself.

Mr. MICHAUD: Mr. Speaker, I have been extremely polite while the member for Pontiac (Mr. Caouette) made his speech; indeed, I am polite every time my friends, the Social Crediters have the floor.

Mr. CAOUETTE: Talk about things you know. Study.

An hon. MEMBER: Study yourself.

Another hon. MEMBER: The wonder of Pontiac County.

Mr. MICHAUD: Some Social Crediters of my county—

Mr. CAOUETTE: One must not be lazy.

Mr. MICHAUD: —want the removal of all controls, unaware of the fact that they are simply repeating the disjointed utterances of unscrupulous wire-pullers.

Mr. CAOUETTE: Financiers are pulling yours.

Mr. MICHAUD: I invited them to define their attitude. They thought fit to answer back by tirades taken from this pamphlet from which emanates, in the words of Cardinal Villeneuve, "a current which tends much more to inflame revolutionary passions than to promote social consciousness and the desire to work for the rehabilitation of society".

[Mr. Michaud.]

Mr. GAUTHIER: Hear, hear.

Mr. CAOUETTE: All "ration-mongers" are revolutionary.

Mr. MICHAUD: "Ration-mongers." That is precisely the kind of expression used by those gentlemen, as well as in *Vers Demain* and in the documents from which I have just quoted.

An hon. MEMBER: And by the hon. member for Pontiac.

Mr. CAOUETTE: A term you will get to know, gentlemen.

Mr. MICHAUD: One can but deny or ignore such gratuitous assertions.

Mr. CAOUETTE: Thank you.

Mr. MICHAUD: "Controls paralyze production and thereby cause prices to rise." This is all wrong and I challenge anyone to prove the contrary.

Third: "Controls deprive us of our freedom as citizens." What freedom, may I ask? The freedom to do and speak as one pleases? In that case, our freedoms are much more jeopardized by the ten commandments and by our federal, provincial and municipal laws and regulations. These gentlemen, I fear, are mistaking licence for liberty. No one is absolutely free to do everything. My freedom stops where that of my neighbour begins.

Some hon. MEMBERS: Hear, hear!

(Text):

Mr. HLYNKA: They are worried!

(Translation):

Mr. MICHAUD: Nowadays, neighbours being fairly numerous and economic life quite complicated, it necessarily follows that the freedom of the individual is perhaps limited to a greater extent than formerly by that of his many neighbours whose needs are far from few. What is the freedom to which these gentlemen refer? As they do not commit themselves, I am left to form what seem to me the most plausible conjectures. Do they mean the type of freedom which, thanks to the policy of rationing goods in short supply, would allow a few monopolizers to buy large quantities of commodities, thus raising prices while pocketing enormous profits and depriving less fortunate people of essential products?

Mr. CAOUETTE: There is no need to change the administration to bring about this state of things since it exists under the present government.

Mr. MICHAUD: Listen and learn!

Do they mean the kind of freedom that would allow some producers to take advantage of the scarcity of certain commodities and sell

their goods, always to the detriment of the working classes, at prices twice and three times as high as the cost of production?

(Text):

Mr. WYLIE: Put it on *Hansard.*

(Translation):

Mr. MICHAUD: And I could conjecture *ad infinitum* on this freedom which, in such cases, becomes indistinguishable from licence and mass exploitation beneficial to a few individuals only. I will have none of that freedom. The sooner controls destroy it, if I may use the terms of the petition, the better it will be for all who recognize and appreciate true liberty which gives the working classes of the country free access to the largest number of commodities, at prices which those of limited income can readily afford.

For these reasons I shall vote for the resolution and for the bill which will follow it.

Some hon. MEMBERS: Hear, hear!

(Text):

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I have been surprised at the many weird fears of dire calamities which have been aroused by some hon. members in this chamber with regard to the legislation now proposed. Some have tried to make us afraid that parliament was prepared to give up its power to some external body; and they have gone on from that to talk about bureaucracy, regimentation and all the evils which they have been able to gather during the past few years from regimes which have been a disgrace to modern history. May I say that these fears, in my opinion, have been greatly overstated. Personally I have no fear at all about these things, and I hate them just as much as do hon. gentlemen who have opposed them. I do not for one moment believe, for example, that the right hon. gentleman who has led this parliament for more years than any other man in the history of Canada will deliberately give away the powers of parliament to somebody outside. I do not even believe that the Right Hon. Minister of Agriculture (Mr. Gardiner) would abuse the powers which we the other day permitted him to exercise in regard to a very important measure. I would not even be afraid of the leader of the opposition (Mr. Bracken) having similar powers conferred upon him by this house, which has the right and power to withdraw them if they are abused; for the people of Canada have the right and power to punish those who may be guilty of such abuse by discharging them.

In the past we have had to wrest our political freedom from great powers: kings, nobles, lords and potentates; and still we have not possession of all the powers which the people must have. We must carry the struggle for democratic power into the field of economics. It is an extraordinary thing how hon. members can argue that a piece of legislation such as that proposed in the resolution before the house, which is to extend for a period of time certain powers which this parliament has never yet exercised except in time of war, could be represented as the abrogation of powers. It is the most extraordinary twist of illogical construction that I have ever listened to. I say, Mr. Speaker, we must not be simply content with the measure of political power the people have been able to obtain by their own efforts, despite the Conservative party in years gone by; we must gain economic power, and we must learn to use that power when we have achieved it. We must achieve it by democratic means, and we must learn to use it democratically. This means we must set up an entirely new technique, one which perhaps no one knows exactly how to proceed to organize, but one we must find as time goes by in order to exercise democratic power in the economic as well as the political field.

It took the crisis of war to reveal the need for the controls now under discussion, but peace has its crises as well as war. The resolution before us is to provide for the extension of those powers, taken in time of war, for a limited period, and I desire to join with the leader of this party in protesting against the willingness of the government to release these powers too readily at the urging of the private interests who are most concerned and the political parties who would like to serve them. The government, in following a policy of decontrol, appear to me as happy as children going to a circus when they can announce that they have let go something to which they should have held on. They have already given up many of the powers they should have held on to. This legislation is a proposal to continue some of those powers for a time, but the object eventually is to release all controls and go back to the old method of allowing the economic powers of the country who are personally interested to determine the economic course of this nation.

I want to impress upon this house that the economic pursuits of this nation are going to be controlled by somebody. They always have been controlled by somebody, and that control will be continued. It is of vital interest to the people of this land whether those controls are exercised by the people themselves in their own interests, or whether they are to be exercised by those interested only

in their own personal gain. The questions we should be asking in regard to controls, and which really should not be applied to this measure at all, are these. Who are going to control the economic destiny of Canada in the future? How are these controls to be exercised, and what is to be their purpose? As I see it, sir, there are just two alternatives before us. The one is to allow those who own and control the great basic industries of this country to determine, in the interests of their own profits, what shall be the economic policy of Canada henceforth. That is one course. The other is to find a way of democratically controlling our economic destiny, through the democratically elected representatives of the people.

I have been astounded, too, at the way those who profess to believe in democracy can express such dire fears of power, as we have heard some hon. gentlemen in this house. Some have even boasted that they have no plans and do not desire power. In this respect I would refer particularly to the hon. member for Peace River (Mr. Low) and the hon. member for Muskoka-Ontario (Mr. Macdonnell). Both these hon. gentlemen have exhibited great nervousness over the possibility of having too much power, for fear they might be corrupted. But I have seen no nervousness on their part in respect to the powers now being exercised by certain individuals and corporations over industries which affect the lives of all the people of this country. I should like to ask the hon. member for Muskoka-Ontario what he will do if by some chance, some day, he might become chancellor of the exchequer or minister of finance. Then he would have to prepare a budget. That is a great power, because a budget will affect the lives of all persons in this nation, from the baby in the cradle to the man in the coffin. Everyone will be affected, so it is a tremendous power. What will the leader of the Social Credit party do if he becomes prime minister? According to his own philosophy, announced in this house from time to time, he will be on the horns of this dilemma. Either he will have to permit himself to be corrupted by the power which goes with the office, or he will have to divest himself of power to the point that he will be completely useless. That will be his choice. A government without power and without a plan is the most perfectly useless institution in the world. Canada can very well do without a government that has neither a plan nor the power to carry it into effect, because such a government is nothing but a blundering, expensive, useless dummy. Government is government only to the extent that it has power. A government is a good government only to the extent that it uses its power wisely. A government must have a giant's power; but I agree with the great Shakespeare that it had better not use that power as a giant sometimes does. There must be no competing power within the nation that can equal the power of a government; otherwise you have no government, because government is where the power is, whether that be in the factory, in the bank or on the treasury benches; and in most instances in Canada that power is still in the factories and the banks of this country. The real power of democracy is amongst the people themselves, and, as I say, they must have more power than any other body within the nation. A government without power is like a steamer without steam, like a car without gasoline, and I have my suspicions of people who are afraid to use power when they are asking for it.

Why do these people who are so anxious to get power express such fears of it? All power is dangerous in the hands of incompetents. The power of steam is a destructive power. It can blow up the boiler, wreck the establishment and kill everybody within a certain range. Atomic energy is a great power, and a dangerous and destructive power, but it may also be a very constructive one. Power may destroy, but power can also fulfil. Without power, however, we can do nothing in any government. I repeat that the important questions are: Who has the power; how is it to be used; what is it to be used for?

The danger in a democracy is not in having power; it is not in its using of power. The danger in a democracy is the abrogation of its powers, and the allowing of irresponsible people to use powers which ought to be in the hands of the representatives of the people.

It is assumed, theoretically at least, that the power of the people is supreme in a democracy. If the representatives are not to use that power, then who is to use it? I assume that the only practical way in which the people of Canada can use their power is through their representatives in parliament. It may be that we shall find some better mechanism as time goes on; but for the present that is the only way we have been able to devise. The old village moot is gone, and we have found it necessary to send representatives here to carry on the work of the people. They, from time to time, give power to ministers of the crown who are responsible to parliament, powers which are essential in order to carry out certain essential public services.

That is how our democracy operates; and until we find a better way for democracy to express itself we must adhere to those

methods. Those who fear power should neither seek it nor be entrusted with it. Some hon. gentlemen are fond of quoting in the house the alleged aphorism of Lord Acton. I say it is an "alleged" aphorism, because it is not true. The so-called aphorism is this, that power corrupts—that absolute power corrupts absolutely. I have heard that from this corner of the house until I am tired of hearing it.

It is more clever than it is wise, Mr. Speaker. The most absolute power in human affairs in a democracy is the power of the people themselves. No autocracy or dictatorship in history, whether it was a so-called absolute monarchy or an absolute dictatorship, has thus far been able to withstand the absolute power of the people. The czars, the kings, the Hitlers, the Mussolinis, the potentates—they have all been humpty-dumpties on the walls of power, and have been thrown down by the absolute power of the people. They are not anything today but the dust of a disturbing memory.

Therefore I say to you, sir, if the leader of the Social Credit party believes that absolute power corrupts absolutely, then the democracies of the world are the most absolutely corrupt of all bodies whatsoever, because they have the most absolute power. Indeed, by the application of that assinine aphorism they are condemned to inevitable corruption. That is the logic of the Lord Acton parrots.

The fear of power implies the negation of all government. There can be no government without power. The fear of power indicates a lack of confidence in oneself to do the job of representing the people. The fear of power implies a lack of confidence in one's fellows, and lack of faith in the democracy of which he is a part. This distrust in ourself leads to our passing the precious, if dangerous power, to others, so that it can be used by them even against us, instead of our using it on our own behalf.

I think the fear of power constantly popular objections to taxation. Here is an illustration of that. I have known farmers who have been farming at a loss for a complete decade in the past history of Canada. They were farming at a loss, largely because speculators on the grain markets were making fortunes out of their produce, because monopolists, mortgage companies, railway companies expressed in the house is symptomatic. It is a symptom of a mal-education or mis-education which has been fostered deliberately in Canada by the few who have power, who like to use it, who enjoy being corrupted by it. The same idea crops up, for example, in and banks were overcharging them in prices, in freight rates and in interest rates. Yet they kept on farming.

But when a government taxes much less from them than the monopolists did, and leaves them with much more, what do they say? They say, "We won't milk cows for Ilsley." That is what they say. "We don't mind milking cows for mortgage companies; we don't mind milking cows for monopolists; but when it comes to milking cows to pay taxes to our own country, which money comes back to us in social services—no, we won't do that."

That is exactly the same attitude of mind as that of those who are afraid to exercise the power which democracy has conferred upon itself, and which we as representatives of the people are charged to uphold and exercise in the interests of the common people.

We are not taught in a similar way to fear the power of the profiteers, the power of the monopolists. It is suggested we ought to fear our own power, but never to fear the power of the profiteers or monopolists.

It is strange with what complacency we permit the most potently coercive power, namely that enjoyed by economic Hitlers, to dominate our lives, while we are so afraid of using power ourselves. I do not understand men who fight against delegating a portion of power in our possession to a minister, or to a board for which a minister is responsible, but who would not fight against the power now exercised by a corporation to use or not to use, or to misuse, the means by which all must live.

It is time we distinguished between power exercised by dictators and that exercised by a prime minister in a democracy. In the latter case the power is in our own hands, the hands of the people. We can delegate it or exercise it or withdraw it, at will. It is power that has never corrupted any government. It has been the power which governments refused to use—the economic power—which has corrupted governments. It is because we have never taken over economic power that it has been used by those who have it to corrupt public life, because they could not get what they wanted in any other way. Some public men in our history have succumbed to it.

Some writer has expressed the idea—I forget who it was; at any rate the idea is capable of standing on its own feet—that "He who fears what he must face exhibits symptoms of mental sickness; and until he is able to face what he fears he is not on the way to mental health."

I suggest that we must face this question of power; we cannot get anywhere without that

behalf. The danger is always greater when power is in the hands of people other than in our own. This government or any other government in a democracy is simply a machine driven by the power of the people. To say that we must not use our own democratic power to control things which otherwise would destroy us is nothing short of political insanity.

power. Someone will use it against us if we show we are afraid to exercise it on our own

The British government was drawn into this argument by the hon. member for Quebec South (Mr. Power). I must say that I agree with that hon. gentleman when he says that we should never follow blindly what any other government does. While I agree with him on that, I would say also that we should never fail to follow a good example, no matter what government sets that example. I notice that the hon. gentleman is the subject of an editorial in today's Ottawa *Journal*. He is now regarded as the one Liberal left; not a left Liberal, but the one Liberal left. I believe the hon. member for Quebec South is a very good Liberal. I agree with many of the things that he says and does. I like him, but I do not like the company he is now in. I am afraid of his Liberalism when he gets the support of the *Journal*. I do not know whether the *Journal* knows he said in his speech that, while he disagreed with the idea of copying any government, if he had been in Britain he would have voted for Labour. If the *Journal* knows that, perhaps it will take back its support and the hon. member for Quebec South will be all right yet.

I think the British government have done some good things about which we ought to know. First, they have revealed that planning and controlling can be done without dictatorship. Second, they have shown that nationalization preserves all the advantages of large-scale production achieved by monopoly without any of the disadvantages of monopoly. Those are significant things for us to know. In this connection I should like to quote what I regard as a brilliant passage from a speech recently made in the British House of Commons by the Prime Minister of Britain. He said:

> The British people will show that in peace as in war democracy can be combined with strength, tradition with progress, liberty with self-discipline and prosperity with social justice.

I want now to reply to some of the things that have been said by one or two hon. members who have preceded me in this debate. I am replying to them because they seem to think it is socialism that is covered by the resolution and not the extension of the meagre power which has been practised by this country for years during the war. I shall refer first to the hon. member for Eglinton (Mr. Fleming) who charges the government and the C.C.F. with taking power from parliament to transfer it to somebody else. If that were the case I am sure the hon. member would be the first one to vote for it. However the very opposite is the case. We are not transferring power; we are taking a little more power than we ever had before. What is the point of his argument? What we want to do is to continue the power proposed in the resolution; it as a matter of fact we want to extend. He wants to discontinue the exercise of these powers. That is what this debate is about. He is the one who is trying to give powers away or to allow the powers that this parliament has never exercised to remain in the hands of those who have always exercised them, apparently according to the pleasure of the hon. member for Eglinton.

The hon. member says that the Progressive Conservative came here to fight for the supremacy of parliament. They are 500 years late. The supremacy of parliament was fought for by the British people right in the very teeth of Conservative opposition throughout all history. For an hon. member who has as fine a mind as the hon. gentleman; for an hon. member who has the education he has been privileged to have to rise in his place and make an absurd claim of that kind with respect to parliament is nothing short of extraordinary. It has been the traditional position of Conservatives to retard democracy, to prevent the people from having their votes, in every way possible to hold power from the people. That is their tradition.

I do not charge deliberate totalitarianism to the Conservative party. I do not like to charge that to any party, because most of those who talk that way have just got hold of a stinking term that they like to apply to the policies of other parties in order to frighten the people. But while it is not perhaps totalitarian in its intentions, it is certainly totalitarian in its policy. If I wanted totalitarianism in Canada I would vote for the Conservative party. They want total economic power vested in private interests—private monopoly.

An hon. MEMBER: Under parliamentary control.

Mr. IRVINE: That is what we are doing now; that is precisely what the minister is proposing, and that is what we have prevented him from having passed for the last two or three days. Why all the discussion if that

is what the hon. gentlemen want? The slogan of the Conservative party—I never can see much in this Progressive that they use—is that parliament must have nothing to do with business; let the business man do everything with business. But business has everything to do with the lives of the people of this country. No parliament which represents the interests of the people of this country can afford to allow power to stay in the hands of business without a check by parliament.

The hon. member goes on to say: "We have seen it with our own eyes that the further the control, the further the power of parliament recedes". The hon. member heaps conundrum on absurdity. He says he saw it with his own eyes. With whose eyes did he expect to see it?

An hon. MEMBER: To whom are you referring?

Mr. IRVINE: To the hon. member for Eglinton. He saw it with his own eyes. What he saw was a large, overgrown hobgoblin, something no more real than the mythical "oogapooga" which so many people have seen in the lakes of western Canada. Then he goes on to say that big business is anxious to have controls maintained. That was the most subtle cut of all. I think there must be an element of cleverness in it if it were not so obvious.

The hon. member for Broadview (Mr. Church) is never afraid to say exactly what he thinks, and just three or four minutes after the hon. gentleman who is one of his colleagues sat down he blurted out the truth without the slightest hesitation. He said that business large and small has been clamouring for freedom from so many controls. My hon. friend should realize that he cannot have it both ways. If he does not get off that fence he will tear his breeches for certain.

I wish to say something now with respect to the argument advanced by the hon. member for Peace River (Mr. Low). He reminded me somewhat of a helicopter. He flew over the whole empire of economic problems, but hovered here and there over very interesting spots, and then, when you thought he was going to make a landing, he roared away and never made a landing at all. I agree with him, however, on one thing. He said:

> There can be no democracy at all without economic freedom.

I thought he was going to land on that spot, but if he had he might have discovered something about what economic freedom means. Economic freedom and monopoly cannot go together.

Mr. FLEMING: That goes for state monopoly.

Mr. IRVINE: There is no such thing as state monopoly except in the minds of those who do not understand the meaning of terms, and I shall deal with that in a moment because the hon. member for Peace River (Mr. Low) dealt with it. He said:

> There is actually no difference between a state monopoly and a private monopoly.

Just because a man says that with great unction does not make it true. Private monopoly is a one-man show, and he gets the proceeds of the gate; a public monopoly is everybody's show and they all get the proceeds of the gate. Private monopoly is a privilege held by an individual or corporation at the expense of all the rest of the community. A public monopoly, if you wish to call it so, is where the common people, all the citizens, are shareholders and have equal benefit in the so-called monopoly. If that is not a difference there is no meaning in the English language.

Then the hon. member went on to say:

> The only effective controls are those which are inherent in a justly scientific structure.

Now, sir, that is the largest mouthful of sweet nothings I have ever seen anyone take at any one time. Not knowing what it means, I have to pass it. I will not say that the hon. member had nothing in mind, but I will say that if he had anything in his mind when he said that it is still there. He was anxious that we should define our terms. I ask him to define the terms in that statement. He then went on to advocate the establishment of a monetary authority charged by parliament with the responsibility of maintaining a constant balance between effective purchasing power and available goods and services.

Mr. JOHNSTON: Will the hon. member disagree with that?

Mr. IRVINE: No; I was just going to agree with that; but I am going to ask the hon. member and ask the leader of the Social Credit party, what is the difference between a financial bureaucracy and any other of the bureaucracies that he has spent so much time in criticizing in this house? If that is not a bureaucracy, then a planning commission set up by this parliament and empowered by this parliament to give direction to the economic policies of this nation is no more a bureaucracy than the financial bureaucracy suggested by the leader of the Social Credit party.

Mr. JOHNSTON: But the hon. member agrees with that.

Mr. IRVINE: Certainly, I agree with him on that, but the hon. member does not agree with me with respect to the other—a most extraordinary thing.

Mr. JOHNSTON: I do not agree with Donald Gordon but the hon. member's leader did the other day.

Mr. SPEAKER: Order.

Mr. IRVINE: The hon. member said that the best way to plan is by competition of consumers with dollars as ballots and they will vote with their buying. Well, that is nothing like a plan; that is not planning anything. For the hon. member's information let me quote something of what that kind of thing does. This is a quotation from the brief presented on February 2, 1937, to the royal commission on textiles by Elie Beauregard, K.C., commission counsel. He said:

> It is destructive competition that maintains wages at a low level. When responsibility does not rest with foreign competition, it lies with domestic competition waged at the expense of the worker and resulting from the wage inequality between provinces, cities, towns and villages.

Let me give another brief quotation from an official document of the British government which will give some idea of what happens when you leave things to the dollar votes of the consumer and have no regulatory plan for a national industry. This is in regard to electricity and reads as follows:

> At present Britain suffers from the inconveniences of total absence of standardization in voltages or appliances. In 1936 there were as many as forty-three different declared voltages for low and medium pressure supplies, ranging from 100 to 480 volts. A citizen moving from one part of the country to another, or from one London district to another must often scrap the whole of his electrical equipment because of these divergencies.

That is the sort of thing which calls for planning. It is not enough to let anybody buy just what he likes so that when there are shortages the first thing that would happen is that all our sugar would go to the making of candies and they would be bought at high prices by the sweet-toothed people who have money in their pockets and the rest of the people would not have anything. But I must not take the time to develop that, because I believe I have just about exhausted my time and I should like to finish what I have to say.

I intended to take up the hon. member for Pontiac (Mr. Caouette); I think he needs someone to take him up after what "Little Chicago" did to him a little while ago. I shall conclude, sir, by saying that planning means balancing all the needs of the nation against all the available resources of the nation; balancing the man-power demands against the available man-power; balancing the needs of factories, housing, transport and other public services against each other; balancing the need for exports against the need to keep at home products which are essential to the lives of the people within a given country. These are some of the things that are meant by planning. Therefore, sir, I am getting tired of the evangelism of private enterprise, of the ranting about bureaucrats, regimentation and the death-knells of freedom when we suggest that parliament must be supreme in economics as well as in political policy. I would say that hon. gentlemen who carry on a programme of that kind are mental monstrosities limping frantically across the political stage on crutches of hate.

Mr. EDOUARD RINFRET (Outremont): I listened with great pleasure to the speech delivered the other day by the hon. member for Montmagny-L'Islet (Mr. Lesage), and I compliment him on the brilliant exposé of the constitutional question which he made in that speech. However, as I read the resolution before us I see that it states:

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

There is in this resolution only one constitutional basis.

Before taking the time of the house to discuss the constitutional aspect of the whole question, I should like, if I may, to ask the Minister of Justice (Mr. Ilsley) this simple question.

Is this legislation based upon any constitutional ground other than that mentioned in the resolution.

Mr. ILSLEY: If I may, I will answer that immediately. The answer is no. I suppose the hon. gentleman has in his mind something I said the other day in the house, but all I said the other day was this. In response to questioning about a recent judgment of the privy council, I told the house what that judgment seemed to decide, supporting what I said by an opinion from the deputy minister of justice. None of our legislation is based on this decision of the privy council. Our emergency legislation is based on the existence of a national emergency arising out of the war, on the emergency doctrine, to which no one takes any exception either in this house or

outside it. My statement did not purport in any sense to be one of government policy or any indication of government policy. It was a report to the house on what the court had decided, nothing more.

Mr. RINFRET: Mr. Speaker, in view of the explanation just given by the Minister of Justice, I do not consider it necessary to continue discussing the constitutional question, and on the basis of the information just given I shall support the resolution.

Mr. J. A. DION (Lake St. Jean-Roberval) (Translation): Mr. Speaker, I intend to vote for this resolution and for the bill on the continuation of controls, not because I find it pleasant, but because I deem it necessary to do so. Furthermore, I support this legislation because of its urgency and its temporary nature. Were it neither urgent nor temporary, I would oppose it, because to my mind it would be unconstitutional. I may add that on that score, the majority of my colleagues from the province of Quebec are of the same opinion. I submit this with all the due respect for the decisions of the Privy Council and I take this opportunity of thanking the Minister of Justice (Mr. Ilsley) for the explanation which he has just given us. His statement of Thursday last had left a few aspects of this legislation out of focus, but now that the measure is recognized as constitutional, everything seems to be quite clear. I thank him once again and I congratulate him for having shed some light on the matter.

It is in order, I believe, to compliment the government on allowing Parliament this year to legislate on controls. I must admit that last year I felt some misgivings about supporting bill No. 15, which maintained the government's right to rule by orders in council.

I believe that the sooner we revert to the true allotment of legislative, executive and judicial powers, which constitute the very essence of our parliamentary democracy, the better it will be for the true interests of the Canadian people.

It is the duty of Parliament to enact laws and appropriate the money required for the management of the country's affairs.

It is the function of the government to administer those laws and to manage the money voted by Parliament.

Finally, the courts are required to give an interpretation of the laws and of the Constitution when disputes arise between citizens or between citizens and the Government. However, it is not within the jurisdiction of the courts, whichever they may be, to change the laws or to modify the Constitution.

Those are elementary principles of constitutional law, but it is advisable to bring them to the attention of this house from time to time, for, unfortunately, they are too frequently disregarded nowadays.

In a debate on controls and planned economy such as this one, if hon. members indulge first in electoral propaganda and then give their attention to the legislation under discussion, if the house is turned into a public forum instead of legislating, there are a large number of useless speeches and unending discussions. I suggest that parliament does not accomplish its true function which is to study and legislate.

If, on the other hand, instead of putting it up to parliament, as was done in the case of this bill, the government enacts too many orders in council, it transgresses the prerogatives of parliament. This should happen only in extreme cases, under quite exceptional circumstances, such as war.

And while it is the Government's duty to govern and to manage, if it allows its planned economy to be managed by boards and bureaucrats with no responsibility to the house and to the people of Canada, the cabinet surrenders part of its rights and privileges. Such practice, if allowed to last, will eventually distort the spirit of the constitution.

Then again, if a court, such as the Privy Council for instance, instead of merely interpreting the constitution of this country, takes upon itself to change it on the grounds that the central authority may encroach upon provincial rights, even when there is no urgent necessity to do so, this court is not exercising purely judicial functions. Instead of merely interpreting the law, it changes it, and in so doing trespasses upon the legislative powers of this country's parliament.

It then becomes a cause not for amusement but for genuine alarm to see the keenest champions of provincial autonomy acting likewise as the most ardent advocates of appeals to the Privy Council. Such inconsistency is nothing short of appalling.

In closing, may I express the hope that this measure for the maintenance of controls will be discontinued as soon as practicable in the best interests of the whole country.

Finally I hope that the necessary distinctions between the legislative, executive and judicial fields will henceforth be more and more closely observed, so that our constitution will operate as designed by the fathers of confederation.

Let no one exceed his powers and the constitution will be more secure.

(Translation):

Mr. PAUL EDMOND GAGNON (Chicoutimi): Mr. Speaker, the resolution which is submitted to us, shows once again that the optimistic forecasts of our leaders, both before and during the war were, in truth, nothing but weird fantasies of minds overstrained by the abuse of the imperializing drugs of our overseas friends. Master propagandists and experts in false mirages paid by the war mongers, they used posters, newspapers, pamphlets, as well as the radio, to sing the virtues of military conscription and to promise happiness to the heroic nations whose sons, forsaking their native shores, would fly to the defence of christiandom at the sides of Joseph Stalin.

The golden age would be the reward of the sacrifices made by the Canadians to ensure the sway of the Muscovite Bear over the world. It will soon be two years since the storm has ended, two years since we should enjoy freedom and peace; however, we still are on a war footing, victims and slaves of a planned economy administered by a cankerous bureaucracy. What a formidable price in human lives and economic disasters will we have paid for this crusade which served no other purpose than that of increasing the prestige of the man from the Kremlin. War has brought upon us problems the solution of which, in the opinion of the government, lies only in an undue restriction of the freedom and privileges enjoyed by individuals and in the discarding of the basic principles of our constitution. The hon. member for Terrebonne (Mr. Bertrand) had good reason to fear the dangers which he mentioned on February 3, 1944, when he said:

> Will it be possible to make this post-war readjustment without running counter to the traditions, without breaking old covenants, and the conventions which ensure autonomy to the central authority and to the provinces in certain spheres. Some claim that we should forget about traditions and even that we should run ahead of evolution. Is it possible to break away from the past of a nation? Others advocate the most arbitrary measures, but that view is to be condemned just as the doctrines of those who would sabotage the present structure of the nation and replace it by the fragile columns of an exaggerated socialism.

Mr. Speaker, while listening on Friday last to the hon. member for Portneuf (Mr. Gauthier) expressing his faith in the present controls and his desire to have them maintained, I was reminded of these words which he spoke in this house on February 10, 1944:

> I believe, Mr. Speaker, that the time has come for parliament to remember that besides the empire, there is a country called Canada which is now being bled white, with the result that its economy will have to be built up anew and her citizens will suffer both from the moral and the physical standpoint. That will be a consequence of the hardships, the vexations of all kinds, and the various controls forced on the labouring classes, the farmers and workers.

[Mr. Dion.]

Mr. GAUTHIER (Portneuf): Is that all? Excellent.

Mr. GAGNON: It is a fact that the workers and the lower-salaried groups have been hardest hit by the unfairness and the annoying features of government controls. Wealthy people, those whose powerful pocketbooks carried weight, monopolizers and selfish individuals did not feel the harshness of rationing to the same extent. They obtained the required goods and services and still do get them quite easily while the little man, the poor man, whose influence counts for nothing with some dealers, saw biscuits, chocolate, liquor, nylon stockings as well as automobile tires go to fatter purses or black market profiteers.

Sugar at $20 a bag, butter at 60 cents a pound, jam at $15 per twenty pounds, such are the trade practices fostered by the ineffable control of the wartime prices and trade board.

On page 124 of his book *La révolution d'hier, d'aujourd'hui et de demain,* Mr. L. Marlio, member of the Institute, professor at the Académie des Sciences morales et politiques, writes as follows:

> Planned economy represents a bastard compromise between dictatorship and freedom and yields only a powerless dictatorship or an encumbered freedom. Never up to the present has this system given favourable results but, on the other hand, it has brought about numerous disasters.
>
> In short, according to the same writer, planned economy is destructive of democracy. It robs private enterprise of its initiative. It is conducive to indiscriminate control by the State, to anonymous dictatorship, the worst form of absolutism. It organizes disorder.

We are asked today to maintain controls on various economic activities. But the people are surfeited with restrictions. This colonial policy is designed, above all, to serve the interests of a foreign country, to which we are committed to the detriment of Canada. Discontent waxes rife in this country, Socialists, Communists and Jehovah's Witnesses are undermining our democratic institutions, and still we are amazed to hear the proponents of strange systems, every one crazier than the other, expounding philosophies which nobody understands but perhaps themselves and promising happiness based on an equal distribution of material wealth. State paternalism which is practised on a large scale by the present administration, and the untimely intrusion of the government

in spheres which rightly belong to the individual, while destroying the principles of democracy, have allowed certain thinking and living habits to become ingrained in the mind of many, who are now accustomed to expect everything from the state. It will be difficult to eradicate such habits.

In the words of Benjamin M. Anderson, economist of Chase National Bank—

(Text):

It must be recognized that government has made dangerous gains in power as a result of the war. The primary historical functions of government after all, have been (a) organizing the groups for war against foreign enemies, and (b) maintaining internal peace.

War and preparation for war constituted the major activities of government until fairly recent times. Internal liberty of the individual and of private organizations was strictly and sternly subordinated to war time necessities. England, following the anarchy of the Wars of the Roses, surrendered liberties for the sake of internal peace under Henry VII and Henry VIII, and struggled to regain them, and to protect them by a bill of rights, in the seventeenth century.

(Translation):

An investigation carried out last January by Mr. Gordon's board on the prices of foodstuffs, clothing and household furnishings showed that prices were lower in Canada than in the United States. For instance, it was pointed out that bread sold from 8 to 11 cents for a 24-ounce loaf in Winnipeg, whereas it cost 15 cents in Minneapolis; that a pound of round steak cost from 43 to 44 cents in Ottawa and from 59 to 72 cents in Syracuse; that shortening retailed from 17 to 25 cents per pound in Montreal and from 43 to 51 cents in Boston.

In regard to clothing and furniture, the prices were about the same in Canada as in the United States. However, the Prices Board forgot to mention that cigarettes cost 33 cents or more per package in Canada whereas in the United States they sell for approximately 15 cents; that gasoline cost much more in Canada than in the United States; that we must pay from $100 to $500 more than our American neighbours for an automobile; that shoes which sell for $20 a pair in Montreal are offered for $6.95 in Syracuse. Nor does the investigation mention that hourly wages are on the average 35 per cent lower in Canada than in the United States; that the taxes affecting the middle class are one and a half times higher in Canada than in the United States.

Entrusted to officials with no responsibility to the people, the operation and supervision of controls are an almighty state within a moribund state. The people are very often at the mercy of employees who don't know the first thing about the people's problems, or the special economic conditions of a given area, and they have to bow to the edicts and obey the whims of meddlesome and invisible czars.

Under order No. A-2225, for instance, Mr. Taylor, the new chairman of the prices and trade board, will no doubt keep on looking, beyond May 15, after the wholesale and retail prices of toe and heel studs, fly-doors, chemical toilets, septic tanks, bath mats, adhesives, brassieres, skirts and shoulder straps, pinafores, smocks and dungarees.

If I had to set up communism in this country, Mr. Speaker, I should not go about it differently than has the present government. The dictatorship we have known during the last war has alarmingly favoured the establishment of a socialist system in Canada. And if the C.C.F. members look so fondly today upon their friends across the way, it is because the Liberals, in taking over their principles and in legislating as the C.C.F. would have them do, are paving the way for the advocates of a system that has failed in every country where it was put to the test. Communists will then follow, whose Canadian family tree will reveal its descent from the present Liberal party.

"Socialism has liberalism for a father and communism for an heir", proclaimed His Holiness Pius XI, in *Quadragesimo anno*.

Mr. ARSENAULT: Economic liberalism.

Mr. GAGNON: Yes, a doctrine applied at present by the Liberal government.

The bill which is to follow the present resolution will be, in essence and in fact, a new encroachment on provincial prerogatives. This reason alone justifies my voting against the resolution moved by the Right Hon. the Minister of Justice.

Mr. BRUNELLE: As usual.

Mr. GAGNON: On the other side of the house, hon. members gargle high-sounding, throbbing and hypocritical statements about the sacred rights of the provinces—

Mr. DION (Lake St. John-Roberval): Mr. Speaker, on a point of order, I ask that the hon. member withdraw the word "hypocritical".

Mr. GAGNON: Mr. Speaker, I do not believe there is any reason for withdrawing this word—

Mr. SPEAKER: Order! I request the hon. member to be kind enough to change the wording of his statement.

Mr. GAGNON: Mr. Speaker, under what rule am I bound to withdraw the expression?

Mr. SPEAKER: Under the rule which prohibits the use in the house of an unparliamentary term. I would therefore ask the hon. member to withdraw it.

Mr. GAGNON: I did not apply the word "hypocrite" to any member in particular. I made a general statement.

Mr. SPEAKER: The hon. member will not insist, I am sure, and he will withdraw his expression.

Mr. GAGNON: In order to please you, Mr. Speaker, I shall withdraw the word "hypocrite".

Mr. MARQUIS: It must be withdrawn unconditionally.

Mr. SPEAKER: Order!

Mr. GAGNON: In order to be agreeable to you, Mr. Speaker, I withdraw the word "hypocrite". However, I regret the intervention of the hon. member for Kamouraska (Mr. Marquis) had no consequence.

Hon. members opposite indulge in high-sounding statements on the sacred rights of the provinces concerning civil legislation. The premiers of Ontario, Quebec and Nova Scotia, as well as members of this house, are taken to task for insisting upon the prerogatives of the provinces. When the government is charged with trying to centralize power to a degree never attempted by any previous administration, members sitting to your right pretend to be deeply offended. Looking demurely upon us, they try to use such honey phrases as the fabulist Lafontaine puts in the mouth of a fox strongly tempted by the fine-feathered bird's piece of cheese. The recent statement by the Right Hon. the Minister of Justice (Mr. Ilsley), generally known as being brutally outspoken and a true lover of Great Britain has given us another proof of the federal government's willingness to impinge upon the exclusive rights of the province, should they find it convenient in order to promote their own objectives or those of the United Kingdom.

Progressively, through successive precedents and abuses of power, we have been led to our present alarming situation. It seems to me that the mandate given to us by our electors was already burdensome enough without the government adding new problems quite beyond our concern.

Mr. GARIEPY: What statement are you referring to? I interrupt with the permission of the hon. member who has just mentioned some speech made by the Right Hon. the Minister of Justice. I am asking him to tell us specifically which statement he has in mind.

Mr. GAGNON: I am referring to the observations which the Right Hon. the Minister of Justice put forward last week when we were discussing the bill having to do with grain before the resolution which we are now debating was introduced.

Mr. GARIEPY: That has nothing to do with this debate.

Mr. GAGNON: Our plates are so well garnished that we do not feel the need of picking those of others.

If it was a mistake to start this deadly game, and I contend it was, the least we can decently expect is that certain limits will not me transgressed and that this whole business will cease before the advent of a socialist or communist dictator who could hoist himself to power simply by donning the cast-offs of the Liberal party.

(Text):

Mr. W. GARFIELD CASE (Grey North): Mr. Speaker, I feel that this moment in the history of our country is too great to be allowed to pass without a word on my part. I have listened with considerable interest to the discussion of the various aspects of this legislation; and I have learned with concern of that part of it which could not be regarded as other than socialistic, which could indeed be very harmful to democracy in this country. As a matter of fact, I do not see how any stalwart Liberal who loves his country and believes in democracy can support this legislation. That is my principal concern. I am not rising necessarily to criticize the socialistic aspects of the bill, but rather to plead with the government, who are still proud to call themselves Liberals, to turn back while yet there is time. My sympathies indeed are with the hon. member for Quebec South (Mr. Power). When parliament delegates to the government such tremendous powers as are contained in this legislation, dealing with so many aspects of our whole economic life, it is time we who still believe in democracy and in our way of life take notice of the trend of the times. That trend is toward socialism, and the pace is quickening. I have only to remind hon. members that there is only one alternative to democracy; that is dictatorship.

I should like to remind my Liberal friends, because my appeal will be made principally to them, that the socialist party in this country are selling the Liberals short, just as they did in the old land. When the late Prime Ministers Asquith and Lloyd George were persuaded to introduce socialistic and social welfare policies they actually signed the death-knell of Liberalism, and today the Lib-

eral party in the old land is a nonentity. I am one of those who would regret to see the same fate overtake the Liberal party in Canada. Yet if they carry on with those who are seeking by subtle methods, by pressure methods, to undermine our democracy and to persuade our government that the only method they can employ is one by which they would rule by legislation which is subversive to the best elements of democracy, then I say Liberalism is indeed in for a very difficult time.

History has a habit of repeating itself, and Canada is today at the cross-roads. I can appreciate the unfortunate situation in which the government finds itself. Yet no one can be blamed. This country could have entered into a policy of decontrol during the last session of parliament. Had we done so we would have been further advanced today along the road of a return to government by parliament rather than government by orders in council or by omnibus bills.

Once you embark upon the road to socialism, there is no turning back. Follow the pattern of those who present the views of socialists in this House of Commons, and you discover that constantly they seek to advance the interests of the state and to submerge those of the individual. In other words, they would seek to make of Canada and of the Canadian people a nation of leaners, depending upon some form of central authority, which would guarantee their security and economic freedom.

Yet, Mr. Speaker, the greatest asset this nation possesses is its strong citizenship. The greatest asset we possess is our people. If we seek to interfere with ambitions and ideals, and to kill the enthusiasm of our people; or if we seek to depend upon some central authority to provide us with leadership, then indeed Canada has taken a backward step.

Mr. PROBE: Come and sit over here.

Mr. CASE: Well, I do not like to question the motives of anyone. This, after all, is a democracy, and you can expound your theories. History reveals that, wherever your doctrine has been tried, it has ended in bloodshed and sorrow, and has left a wake of broken hearts in its trail. Make no mistake about that. After all, socialism is not new. It has been tried time and again, and it is failing in Great Britain today.

The hon. member for Cariboo (Mr. Irvine) quoted the Prime Minister of Great Britain; but he did not quote their minister of labour who said, "You will work or starve." That is the socialism which will be applied in Great Britain, because they realize today as never before that their whole salvation depends upon their ability to produce more goods. And they cannot produce more goods under socialist doctrines which guarantee security at the expense of the taxpayers and the state.

Therefore I offer this advice to hon. members who try to fasten on to Canada something which has failed—and failed miserably—in other lands. After all, this is a land of freedom, a land we are all proud to call our home. And I am one who will stand up and, by all the means I can employ, seek to stamp out socialism. I appeal to those hon. friends of mine, who are sitting opposite and who still believe in Liberalism—as I do—

Some hon. MEMBERS: Oh, oh.

Mr. CASE: —that now is the time to turn aside this threat to our Canadian way of life.

Mr. KNOWLES: You never forgot your first love, did you?

Mr. CASE: It rests with the government. Thank God, I have the right to express my thoughts freely within this party, and to endorse the principles and ideals enunciated by my leader. I think I come a lot closer to ideal Liberalism than those who are sitting opposite today.

In respect of socialism there seems to be no saturation point. Never are they satisfied, but constantly they attempt to regulate and to control. The challenge is now one the government must meet. I know it is said that this omnibus bill is to meet a special emergency. If many of us could believe that there would be a turning back a year hence we would feel just a little more secure. But because the leader of the C.C.F. rose in his place and endorsed the bill, and because his followers have supported it so wholeheartedly, I am more than convinced there is something wrong with it.

Certainly it is not a Liberal bill.

Mr. KNOWLES: You are against it, no matter how good it is, eh?

Mr. CASE: There have been times when there has been lack of understanding with our friends from the province of Quebec. But I believe I can say to the house this afternoon that we in Ontario, and those from many other parts of Canada can say in all sincerity, "Thank God for the province of Quebec." It stands today as a bulwark against this threat to our economic freedom; it is our first line of defence against socialism and communism.

Mr. MacINNIS: The line-up with Duplessis is complete.

Mr. CASE: Quebec remains the one focal point where they are not going to attack our democratic way of life, without a real fight. That has been indicated in the house.

Even though I am not entirely satisfied with the answer given by the Minister of Justice (Mr. Ilsley) to the hon. member for Outremont (Mr. Rinfret), it would be wrong on my part in any sense to question the constitutionality of the resolution. That has already been taken care of. I do know that the Prime Minister (Mr. Mackenzie King) is one who has always given close attention to the matter of constitutionality. If my memory serves me correctly, it was the Right Hon. R. B. Bennett, then leader of the Conservative party, who introduced to this house many measures of social security, comprising legislation which afterwards was determined to be ultra vires of the House of Commons.

The time has come when the battle lines are drawn. Are we to have happiness in Canada, or are we to have that which has taken place in the old land? I was greatly impressed with the words of the Prime Minister when he pleaded with Canadians to stick to the two-party system. I believe the day will come when we shall return to that two-party system. But I say—and I say it with feeling and regret—that unless the present trend is stopped, the Liberal party will be submerged in its desire to adopt measures which can lead to nothing more or less than socialism in Canada.

My chief point of appeal is to ask the government to reconsider, even at this hour, the resolution now before the house. I ask it to bring in bills so that parliament may decide that which may best be continued or discontinued. I realize, of course, that this procedure would take more time. But after all, with our future at stake, with the welfare of Canada, the welfare of the Canadian people and the whole economy of our country at stake, surely it would be best in the long run to do what I have suggested. We have already granted an extension of time of these emergency powers until May 15. It would be possible no doubt if these bills were not concluded by that time to seek a further extension, but in the meantime parliament, the elected representatives of the people, the voice of the people would be heard so that they might place their stamp of approval or disapproval on the bills as they were presented to this house.

I think we all feel greatly concerned at the trend today in world events. Canada is in position to give a certain type and degree of leadership in world affairs. We have reason to expect that leadership. We have a great land, a country which offers a challenge to all Canadians. This afternoon the hon. member for Cariboo spoke about the supremacy of parliament and referred to the hon. member for Eglinton (Mr. Fleming) as being 500 years late. That brings to my mind the thought that sometimes the things we value most are treated much too lightly and parted with much too carelessly.

Certainly it has been a long upward fight and struggle to gain freedom. Freedom is the greatest thing we shall ever possess. Now they talk of our supremacy at a time when we can go on to greater things with the initiative and background and enterprise of our people. Are we to turn back the pages of history and seek to begin the struggle all over again? Balancing the needs of the nation, says the hon. member for Cariboo, but I ask him who in his group sitting in this house today would he feel capable of balancing the affairs of a great nation? Where would he find the ability or the initiative or the understanding of the complex problems of industry and finance and development that he would seek to have placed in the hands of someone who would tell you or me what we should do?

I think the time has come when we must seek to break the shackles and bonds that are binding us, so that we may have an opportunity for greater expression, greater advancement and greater development. Then Canada will indeed find her way to the leadership which she is capable of providing. In this great land we should seek to encourage those who believe in freedom, those who believe in democracy to come to our shores. We shall not get the people we would like to have as long as we have on our statute books legislation which provides for the continuance of the very things many of them are seeking to escape from in distant Europe.

I can see the trend today in Great Britain. We have a great stake in the British isles. I am not going to condemn the British government, but I am going to say that, unless they change, Great Britain is indeed in for a difficult time. Unless they can step up the production of their nation, where will they arrive at? We find that today they are seeking to import hundreds of thousands of workers to do the work which Britishers formerly were able to do for their nation. If that is done, the nation will suffer just that much more; yet they must produce even with foreign labour, if necessary, to pay for their imports.

Last year in Canada we had to seek to retain German prisoners of war and to import Polish immigrants in order that they might

assist in farm work. What is wrong with our great country? As long as these controls remain, business will have no faith in the future. As long as we continue to regulate by legislation, farmers and others will not till the soil and we shall not obtain that vast production which is so necessary if we are to avoid inflation and satisfy the demands and needs of a starving world.

I make this last appeal to the right hon. minister and to the government of Canada: Reconsider the step you are taking, turn back while yet there is time to avoid this socialistic trend which is seeking to undermine our democracy; bring in these bills separately so that we may consider them in their true perspective; let parliament decide, and then the people of Canada must accept our judgment or exercise the remedy they have in their hands.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, it would take a brave man to try to pick out the central feature of the legislation now before the house. That is obvious from the way in which the discussion has ranged literally all over the universe. However, it does seem to me that the aspect of this legislation which most concerns the people of Canada is its bearing on the cost of living. There is included in the orders in council that we shall be dealing with when the bill is before committee the orders having to do with price control, rent control and other measures which have an effect on the whole economy of this country, and therefore on the cost of living. That being the central issue, as I see it, in this legislation, it seems to me that this house is faced with two questions to which we should give our attention. First of all, is it necessary to do something about the cost of living? Second, is the something which must be done a course that might cost us any of our liberty or our freedom? In other words, I admit that the injection of discussion about freedom and liberty into this debate is germane to the subject, and I wish to deal with my remarks under these two headings.

First of all, there is no doubt that parliament has to do something about the cost of living. If we are a responsible body at all; if we consider that we are here to concern ourselves about the interests of the people of Canada, we must pay serious attention to what is happening to the cost of the necessities of life. As an example, a short while ago the price of shortening took a tremendous rise in a very few days. I know of few articles concerning which I have received from housewives across Canada more letters of protest than in connection with the increase of the price of shortening. I placed some questions on the order paper about this matter and received from the government the information that in a matter of two or three days prices went up all across Canada. An example was in Winnipeg where the price went from nineteen cents to twenty-nine cents a pound in a matter of just two or three days. Similarly one might mention what has been happening to the price of soap.

Mr. MITCHELL: Nineteen cents a pound for what?

Mr. KNOWLES: Shortening.

Mr. MITCHELL: A farm product.

Mr. KNOWLES: No; it includes vegetable oil. The increase was not due to removing the ceiling altogether, but just the permission from the prices board for an increase.

Mr. ROSS (Souris): And the farmer was not getting much of that, either.

Mr. KNOWLES: So with the cost of soap-flakes and bar soap, and also with the price of tea; coffee; meat, especially bacon; canned goods, especially soup, and so on.

Hon. members throughout this chamber have, I am sure, had the same experience that I have, namely, of being bombarded by housewives with their protests against this rise in the cost of living, even under the controls which are still in existence. This is true not only with respect to articles of food—and I must not forget the increase in the price of milk, despite the vote in this house last summer—but also in connection with articles of clothing, particularly children's clothing. If I might cite an example which is close to home, may I say that the streets are rather wet in Ottawa today and it is necessary for children in this city to have rubbers or rubber boots of some kind. There are two children in the home in which I happen to stay here in Ottawa. I know that the parents have been desperate in the last few days to try to get rubbers or rubber boots for their children. They managed today to get a pair of rubber boots for their eight year old Gretchen for the sum of $5. Admittedly the boots are better than they would normally buy, but that is all that was available and that is the price they had to pay to get any at all. In addition, I have before me, but I shall not

take the time to give them, other figures indicating conclusively that it is urgently necessary to do something to hold down the cost of living.

Last summer certain newspapers in Canada were singing the praises of the policy being followed in the United States where price control was taken off and the law of supply and demand was allowed to function. I have before me copies of editorials which appeared in the *Financial Post* in July, 1946, and again in November, 1946, drawing attention to the fact that decontrol in the United States had not then had the disastrous results which had been predicted, but rather it was permitting certain initial fluctuations and then in due course the proper level was being reached—at least so it was claimed.

These editorials in the *Financial Post* to which I have referred called upon the government of this country to follow the lead of the United States in this matter. Today the story is quite different. I have before me now a clipping from the monthly letter of the National City Bank of New York for March, 1947, which is right up to date. That monthly letter says:

> The resumption of the rise in commodity prices is the feature of the business news during the past month.

Then later on:

> The resumption of commodity price advances is to be deplored rather than welcomed. It defers hope of a downturn in the cost of living.

Then still later on:

> Meanwhile the situation holds various dangers, some of which have been alluded to. One is the danger that an unwarranted confidence in the price level, and in the continuation of inflationary advances, will spread.

I hold in my hand a copy of the *Financial Post* for March 22, 1947, on page 20 of which is a digest of an article headed: "What is ahead of us this year." It is an account of what business expects in the United States under present conditions. Let me quote a few sentences:

> Prices are higher than at any time since the boom period that followed world war I and are still rising.

Then later on:

> Actually a turn from boom to set-back is approaching, and probably will become apparent by or soon after mid-year.

Still later on:

> That average factory worker, due to price rises, can buy less with his weekly pay cheque at this time than he could buy a year ago. The same is true in the average salaried man.

The article goes on from a business point of view to point to the difficulties and the dangers that confront the United States where this policy of the removal of controls has been carried to *reductio ad absurdum*. Therefore I contend that the answer to my first question is a definite yes. As a matter of responsibility to the Canadian people whom we represent, we must do something to try to keep down the cost of living.

I said, however, that it is germane to the whole question to have something to say about freedom. It is theoretically possible for one to agree that something should be done to hold down the cost of living and yet to be afraid that the something that has to be done interferes with liberty and freedom and therefore might be at too great a cost. I for one do not believe that to be the case. As a matter of fact, this whole position was presented to the house most forcibly this afternoon by my colleague the hon. member for Cariboo (Mr. Irvine). It does seem to me that we can too easily become the victims of certain cliches, and one of these cliches is the supposition that the protection of freedom involves only protecting the individual against the state. That has been the ultimate position stated in this house by those who claim to represent the essence of liberalism, and I agree that the day is not gone when we must watch in a democratic way to make sure that the state does not make inroads on the life of the individual.

But, Mr. Speaker, the thing that I should like liberals—with a small "l"—to bear in mind is that our main concern is to protect the individual against anything that interferes with his freedom and his liberty. In the days of our grandparents, if they were protected against the authority of the state, well and good; but in our day that is not sufficient for the protection of the individual. A person's life depends upon the cost of living; it depends upon whether or not there is full employment; it depends upon whether or not there is a market for the produce of the farmers and whether that produce can be disposed of in an orderly fashion. There is a whole gamut of things that bear on the life of the individual today which our grandfathers knew nothing at all about, and in that situation governments have a new responsibility; they still have the responsibility not to be bureaucratic or interfere with the liberties of the individual, but in addition, they now have the responsibility to protect the individual against the things over which he has no control in the economic order.

Our lives today are not cast in the simple environment that our grandfathers had; they are cast in a complex world where, underlying our very existence, underlying life, liberty and the pursuit of happiness, is the whole question

of how the economic system functions. I maintain that those who claim to be liberals, those who claim to be concerned about protecting the freedom of the individual, must be concerned about the freedom of that individual against the caprice and the depredations of the economic system. And so it seems to me that all this talk about bureaucracy, about state monopoly being just as bad as any other, is a case of well-meaning individuals failing to think the matter through.

The liberal position—and I am still using the small "l"—is a great position, but it is a position that needs to be thought through and worked out in terms of the kind of society we have today, and in that society what is needed is responsible democratic government that protects the individual at every point where he needs protection.

It has been said a good many times during the course of this debate that the Minister of Justice (Mr. Ilsley) has introduced a socialistic measure into this house. He has been chided by my hon. friends of the Progressive Conservative party and my hon. friends of the Social Credit group for this action. The attempt has been made to pin the word "socialist" on this bill in the thought that that would condemn it. Let it be said quite clearly, Mr. Speaker, that this measure is not socialism. This measure is a device to save capitalism. My hon. friends to the right are missing the boat completely when they rise in opposition to it. This is a measure that would save capitalism in Canada from the kind of chaos that the Minister of Justice rightly described the other night; and if that happened, there is no telling where this country might go. We of this group are not anxious to protect or save capitalism, but we do believe in orderly progress. We want to move on in an orderly fashion from what we now have to democratic socialism, and I pause for a moment to thank those who have taken the trouble to call attention to the fact that we in this group are socialists. We want to move on in that direction.

Mr. MITCHELL: Does my hon. friend say, Marxian socialism?

Mr. KNOWLES: I said, democratic socialism. My hon. friend knows about it; at least he used to know a good deal about it.

Mr. MITCHELL: What they had in Germany, they said, was democratic socialism.

Mr. KNOWLES: Not at all; you know very well what they had there. Mr. Speaker, what we want to avoid is the kind of chaos which the minister rightly described as that which would follow if this measure were defeated. Capitalistic chaos it would be. That chaos might throw the C.C.F. into power. If my hon. friends to the right want to take that chance, well and good; but there is no guarantee that it would throw this party into power. That chaos might throw into power something worse than we now have. That is the reason we take the position we do in supporting this measure as a means of avoiding chaos and keeping things on as even a keel as possible so that we can move on in orderly fashion.

The hon. member for Eglinton (Mr. Fleming) the other day had something to say about the alleged crocodile tears of my colleague the hon. member for Dauphin (Mr. Zaplitny) because he was interested in protecting the position of people on fixed incomes, even people who were drawing their incomes from interest, if I understood him rightly, against rises in the cost of living. The hon. member for Eglinton was quite surprised that the hon. member for Dauphin was concerned about these groups of people. I ask the hon. member for Eglinton, does he not want to protect even his friends from the dangers and the chaos of a rise in the cost of living? That is what this is all about, and frankly I have been amazed—I confess I have changed my mind half a dozen times in the debate whether to speak or not—

Mr. MACKENZIE: That could not be possible.

Mr. KNOWLES: —but I have been amazed and annoyed at the kind of thing that my hon. friends particularly to the right have been saying about this measure, so I finally decided I would speak. If their heads were on straight, they would know that this is the kind of thing they ought to vote for to keep this country on some sort of even keel.

Mr. HOMUTH: If we had socialism a lot of us would lose our heads.

Mr. MacINNIS: You would not be losing very much.

Mr. KNOWLES: In addition to the confusion to which I have already referred, we have had other forms. It has been suggested that, because we in this group are prepared to support the measure before us, that means we thereby swallow in its entirety everything that goes with it and all the decisions made by all the so-called bureaucrats who function under the authority of these orders in council. That is just as ridiculous as the opposite position would be.

The hon. member for Muskoka-Ontario (Mr. Macdonnell), who sits near me here,

believes in private enterprise and supports it wholeheartedly. But that does not mean he approves everything that every private enterprise in this country does. He finds some fault here and there with some of the things that some of them may do. So I say that neither acceptance nor support of this measure involves approval of every decision which has been made by every board set up under this legislation. I am simply suggesting that we try to keep a proper balance and perspective about this kind of thing. By supporting this measure it does not mean that we in this house approve controls just for the sake of controls. To hear some of my hon. friends talk one would think it means we go all-out to hunt for new phases to control in the lives of the Canadian people. It does not mean that at all, any more than the desire of the hon. member for Muskoka-Ontario—and I am using him only because he is so close and is paying such good attention to me—

Mr. MacINNIS: He is a decent sort of fellow.

Mr. KNOWLES: Yes, he is a decent sort of fellow. As I say, it does not mean that any more than his desire to have controls taken off means he wants no law or order at all in this country. It is a matter of balance, a matter of perspective.

Mr. FLEMING: Why not let the hon. member for Muskoka-Ontario give his own views?

Mr. KNOWLES: He very likely will. I am helping to develop his thinking for him before he gets to his feet. In principle, Mr. Speaker, and on balance, we feel that, in its effect on the cost of living—and that is the aspect in which this thing touches the lives of the Canadian people most closely—it is better for our people that at least this much control that we now have be kept intact. As a matter of fact, our quarrel with the government is not that they ask for the kind of powers which are involved in this resolution and in the bill which is to follow, but that they do not take the responsibility which is involved in asking for those powers. As the Minister of Justice and other members of the cabinet know, I have been on my feet several times already during this session protesting against the action of the government in removing controls every week before the matter gets discussed in this house. My contention is that they owe a moral responsibility to parliament not to go on taking steps which keep boosting up the cost of living until the matter has been decided in this parliament. If parliament decides, either in this vote on the resolution or in the vote on the price control order when we get to it, that price control is to go out the window—and it will be against my vote if it does—then the government would be perfectly right in doing away with it, but until such time as that decision is made, we contend that the government has no right to take order in council action, or action by orders of the wartime prices and trade board which results in these increases that are annoying housewives, old age pensioners and other Canadian citizens and making it exceedingly difficult for them to carry on at all.

As I say, our contention is that the main fault of the government in connection with this whole measure is not that they are asking for powers beyond those which a democratic government ought to have in order to protect the interests of the Canadian people, but that they do not exercise the full responsibility which those powers involve.

In introducing this measure, the Minister of Justice referred to three different kinds of orders in council which were to be included in the bill. He put in one special group three of those orders in council: P.C. 1003, the order having to do with labour relations regulations; the order having to do with veterans' preference matters, and finally, order in council P.C. 6367, of August 10, 1943, which provides that the old age pension maximum is to be $25 a month rather than $20, which was provided in the Old Age Pensions Act itself. In putting these three matters in a separate category, the Minister of Justice gave as his reason for doing so the fact that it is the intention of the government that in due course these orders in council shall be replaced by acts of parliament. I agree wholly that since such acts of parliament or such amendments are not yet in statute form, we must pass this measure and keep these specific orders in council in effect. I wish those who voted against the six weeks' extension last Tuesday and those who say they intend to vote against this measure would realize that in doing so they are voting against the continuance of old age pensions at $25 a month until such time as we can have them raised to whatever amount this parliament agrees to. It is all right to enjoy the holier-than-thou position which says: "I took a truly Liberal stand and voted against this measure". But suppose the majority had done that sort of thing. My hon. friends to my right say they are voting against controls. The hon. member for Trinity (Mr. Skey) sought to make it clear Friday night or this afternoon—

Mr. SKEY: That he is voting against socialism.

Mr. KNOWLES: He is not voting against socialism. He is voting against a device that would protect capitalism from its own inherent chaos; and he is also voting in a manner which would result, if the majority of this house joined with him, in old age pensions dropping back to $20 a month on May 15. It was March 31, but has been extended by the resolution we passed last Tuesday.

An hon. MEMBER: Whose fault is that?

Mr. MACKENZIE: It is not the government's fault.

Mr. KNOWLES: It is the government's fault. The government put us in this position, and I deplore the fact that we have been put in this position. But having been put in it, surely we owe a responsibility to the old people of Canada not just to pride ourselves on being able to say that we voted against the government without taking into consideration the consequences of such a vote. Therefore I contend that, on the basis of the labour relations order, the veteran's preference order and the old age pensions matter alone, we ought to vote for this measure, even if we must swallow some things we do not like. But having said that I wish to go on and say that in relation to the old age pensions question I have a real quarrel with the government, and it is this: When this resolution is passed and when the bill has been introduced and passed, it will make it possible to delay a proper amendment to the Old Age Pensions Act until March 31, 1948. I do not say that the government intends to do that but I have not been given any assurance that they will not. I have been told repeatedly—and I hear some remarks on the opposite side now which I fear *Hansard* is not getting—that it was promised clearly by the Prime Minister (Mr. Mackenzie King) on page 83 of *Hansard* that amendments to the Old Age Pensions Act would be brought in this year. A few days ago, on March 20, as recorded at page 1550 of *Hansard,* I asked the Prime Minister if he would consider bringing in Old Age Pensions Act amendments as an emergency measure at an early date. His reply was that he had made a statement about this earlier in the session and that I would find his remarks on *Hansard;* that is the reference on page 83. Then he said the answer to it would be the same as I would find there. Well, I am not quarrelling with the fact that it has been made clear to us in the speech from the throne and in the promises of the Prime Minister that the Old Age Pensions Act is to be amended this session. I take the Prime Minister at his word; it is there in plain language.

We had a similar promise last year from the then Minister of National Health and Welfare, but that promise was amended. This year we have the promise of the Prime Minister himself that it will be done, and there is no argument on that. My question is, when will it be done? The promise was made in the speech from the throne on January 30, nearly two months ago. I could give this house the names of old people—I have in my office letters from their sons and daughters, their widows and so on—who have died since January 30 waiting for these old age pensions to go up so that they could keep alive, or waiting for something to be done about the means test so that they could get the old age pension. My fear is that this thing will be dragged on and on, causing continued months of suffering to our old people. Here is what can happen. We do not yet know what is to be the nature of the legislation that is to replace this order in council, but it is not impossible that it will be the kind of legislation that requires concurrent legislation by the provinces. That could mean the matter would not come into effect until some time next year; and, for all I know, 1948 may be the year of an election. In fact many people are beginning to suspect that is what is in store for us, the increased old age pension being held until the eve of an election.

Mr. MITCHELL: My hon. friend does not believe that.

Mr. KNOWLES: Well, Mr. Speaker, this afternoon the hon. member for Outremont (Mr. Rinfret) had his speech cut out from under him by a statement from the Minister of Justice which satisfied him completely. If any minister will rise in his place now and tell this house that the amendments to the Old Age Pensions Act will be introduced within the next month, I will sit down immediately.

Mr. MACKENZIE: The price is too high.

Mr. KNOWLES: What did the minister say?

Mr. MACKENZIE: Nothing at all. I was somewhat amused at the hon. member's attitude; that is all.

Mr. KNOWLES: The answer would be a very simple one to give. The Minister of Veterans Affairs (Mr. Mackenzie) says he is amused at my attitude. It is not mine only; it is the attitude expressed in letters from old age pensioners which I receive literally every

day. What is the government doing? What is the delay? The promise was made on January 30.

Mr. MACKENZIE: The Prime Minister keeps his promises, and will keep this promise.

Mr. KNOWLES: But in the meantime old people are suffering and dying as a result of this delay. That is the point I have been trying to get across to the government. My contention is that it is utterly callous and inhuman for us to sit here in the comfort of this parliament and accept this continual delay. I am sure the impatience I feel about it is shared all over this house. As a matter of fact, I am sure it must be shared by the private members on the government side; I imagine they are embarrassed by the delay and are doing everything they can in their own way to prod their government into doing something about this matter which is so important in terms of human relationships. I wish they would express themselves in the house, so that it would be out in the open and the government might really be prodded from all sides into taking action without further delay.

We shall soon be in committee, I presume, or at least the Minister of Justice will have a chance to reply. I had hoped that when I made remarks similar to these on the resolution last Tuesday, the minister would reply and give some assurance, but it was not forthcoming. When he replies now I hope he will give some assurance as far as he is concerned, at any rate, that the adoption of this measure with the resultant extension of P.C. 6367 will not be used as a basis for interminable delay in the matter of old age pensions. When I spoke on this matter in the house on Tuesday of last week, March 18, it drew an interesting paragraph in one of the daily newspapers, which read something like this: "The Commons showed marked impatience when Stanley Knowles (C.C.F.—Winnipeg) began to discuss old age pensions."

Mr. MACKENZIE: Hear, hear. That is what they said.

Mr. KNOWLES: What does my hon. friend say?

Mr. MACKENZIE: It was just something slightly accusing.

Mr. KNOWLES: That is just the point: impatience. The people who have a right to be impatient are the 190,000 old age pensioners across this country, and I decry this inhuman attitude.

Mr. MACKENZIE: We on this side of the house are as close to them as you are; we have been all our lives. We gave them old age pensions before you ever started to work for them.

Mr. KNOWLES: I am tempted to pick up a volume of *Hansard* I have here in my desk and see just how well you gave old age pensions to them.

Mr. MACKENZIE: We started it for them. Where were you then?

Mr. KNOWLES: Where was I? I certainly was not a candidate for an old age pension. I was at the other end of life in those days. The thing I am decrying through all this is the callous and shamefully jovial attitude in which this thing can be taken right here in the house tonight.

Mr. MITCHELL: I wish to say to my hon. friend that I signed the agreement to bring old age pensions into existence in Ontario. I do not know whether my hon. friend was even in Canada then; and to suggest that I am taking a callous attitude is not fair, as my hon. friend knows.

Mr. COLDWELL: The minister won an election on it on one occasion.

Mr. MITCHELL: If you would only stop talking and get on with the legislation.

Mr. KNOWLES: I do not need to get into a discussion as to how old age pensions got started; it is too well known. I give my hon. friend the Minister of Labour (Mr. Mitchell) all the credit he has coming to him for what he did in the trade union movement to try to get the idea of old age pensions started. I know that story; he has told it to us before, but some other people had a part in the matter as well, and we are still at it. The point I am trying to get across is that the promise of improved old age pensions was made to the people of Canada in the speech from the throne on January 30. Today is March 24; nearly two months have gone by and nothing has been done about it. Any questions that have been asked have simply brought forth the reply that it will be done some time this session. On one occasion the Minister of Justice repeated the old excuse that the matter is the subject of dominion-provincial discussions. If that is the basis on which it rests I am afraid the chances are that the old people of Canada will not get the benefit of these increases until some time in 1948.

So, Mr. Speaker, while I have stated my position in support of this measure so as to avoid chaos and confusion—let it be clear that it is by no means a socialist measure but a device to keep capitalism going in

some more or less orderly fashion—nevertheless I protest against this necessary measure being used as a basis for interminable delay in this important matter of doing something for Canada's old people.

Mr. M. E. McGARRY (Inverness-Richmond): Mr. Speaker, I have been one of the more or less appreciative audience listening to the numerous speeches, pro and con, for and against the resolution now before the house. There is an old saying that too much of anything is not good for one. We have had a great many speeches; I have listened to most of them, and now I should like to take about five minutes to vary the monotony as far as I am concerned and offer a few words on this important legislation.

I believe this matter of controls resolves itself into something not only of domestic but also international concern. I believe it places before this parliament and the people of Canada a problem that is of extreme importance in view of the disorganization that exists today in a world weary after many years of war. Right now this country is faced with the challenge of solving these problems which face us in this period of rehabilitation, and we must bear in mind that in this conflict—if we may call it that—we are confronted with threatening forces just as terrifying as those which obtained in time of war. This should be the leading issue in the minds of our people today.

Fortunately we in Canada are in a better condition than most people in the world, including even our allied friends, because Canada is today economically sound. After the depleting war through which we have passed, I believe much of the credit can be attributed to the ex-Minister of Finance and the gentleman who until recently was chairman of the wartime prices and trade board. These men stood at the lines of defence when the country was in great danger, and not only combatted but hurled back what I might describe as the fifth columnists, those selfish interests which fain would break through the lines and put our economy into a state of chaos, even at a time when the government was enduring the stresses and strains of war.

The superior position enjoyed by Canada today, after a depleting war, certainly cannot be attributed to accident. As I said earlier, I believe our present economic soundness can be traced to the controls which obtained during the war. Is it not reasonable that in this conflict we should go cautiously and carefully before we eliminate or withdraw those measures which have done so much for Canada in time of war?

Let us not forget that, while Canada is enjoying the fruits of a victorious war, we are today engaged in a conflict that is just as important and just as serious, and bids fair to be just as enduring as the conflict of war. In those circumstances I believe it is just as essential that we should preserve the same precautions which operated so beneficially during the time of the greater stress of war.

There are those who advocate that all controls should be removed entirely and immediately. I believe people who hold that view disregard the best interests of millions of our people. It may suit some of the selfish interests, but certainly it is not to the advantage of the masses of the people of Canada.

Fortunately we have in Canada today a government that is very little concerned with the selfish interests of the few. We have a government which takes great concern in the interests of the masses. I have every confidence that the government will not continue one control which it considers unnecessary. I have the further faith that from time to time the government will be willing to make changes in any of the controls it considers should be maintained, so as to eliminate any factors in those controls which would tend to penalize any particular individual interest.

During the war there was a certain element that undertook to belittle and to hamper our remarkable war effort. I am afraid that today there is under the surface an element that is undertaking to hamper the progress of the efforts made by this government in the present conflict which, as I said before, is just as serious as was the conflict of war.

In war we had the dread of defeat. Right now we are threatened with the dread of economic collapse. This is too serious a time to be thinking about politics, or to think about the few who would gladly take this opportunity for their own aggrandizement, and to promote their own interests. I say that today in this conflict the government are given the same mandate they were given in the time of war. They did their part well by bringing us out of that struggle in a sound economic position. They have a mandate in the present conflict, a mandate of administration. That mandate is to meet present problems and to give leadership. Today I say they are giving that leadership. The government has a difficult and dangerous task to undertake, and I say that we must use the same generosity and have the same degree of tolerance, even to the extent of making some sacrifices, if we are to win this important conflict in a time of peace. Our very sons who went out and shed their blood in order that we may have prosperity

in Canada, and so that we may have peace, have sown the seeds of peace on many soils. It is the responsibility of the government and of the Canadian people to cultivate that soil so enriched by their blood, and to see that that harvest of peace and prosperity for which they fought will be worth reaping.

I hear a great deal about bureaucracy. One would almost think the government's action is such as might be expected from Hitler. But as a Canadian, and one who will live in Canada so long as his span of life continues, I would be more happy living under an authoritative rule administered by responsible ministers of the crown, men who have done so much in the handling of controls, than I would be if all those controls were removed and those selfish interests were given the green light to proceed to the practice of that policy which they fain would undertake, for their personal aggrandizement and in disregard of the national interest.

Mr. LUDGER DIONNE (Beauce): Mr. Speaker, many people are asking the house to do away with controls. Some of those people think this move will favour their political publicity, some others have the intention of protecting their personal interests, and others take that stand because they think that if controls were lifted the flow of commodities would be resumed through the natural channels of trade.

In order properly to inform the fair-minded people, having in mind the welfare of the population of Canada, I have made a careful study of the subject and I shall now proceed to outline the conclusions at which I have arrived. If the government were to lift controls immediately I think everyone will admit that a large number of tenants would be thrown out of their homes. Since there exists at the present time an acute shortage of houses in this country, it does not require much imagination to foresee the perturbation which would result throughout Canada. Farmers and proprietors of houses do not realize what would be the distressing situation of tenants dislodged from their farms or homes, who would be at a loss to find shelter within the means of their pocketbooks. It is evident that the price of rent throughout the occupies rented quarters, and these people country would be increased tremendously. As a general rule it is the labouring class that occupies neeed an immediate increase in their wages to face this sudden additional increase in their budgets. It is evident that under such circumstances the cost of manufactured articles would have to be increased in proportion, and the disastrous result would be that the financial condition of every citizen in Canada would be upset.

The *Labour Gazette* of January, 1947, contains figures showing the cost of living in Canada as compared with that in effect in the United States since controls were abolished. The increase in the wholesale price groups from June to November, 1946, were as follows:

	Canada	United States
General Index	2	21
Farm products	1	19
Textile products	0	19
Metal and metal products	1	4
Buildings material	4	8
Chemical and allied products	1	26
Raw material	3	20
Semi-manufactured articles	3	21
Manufactured products	3	31

The same issue of the *Labour Gazette* contains the following statement:

> The point of the two comparisons above is that while wholesale price groups moved in a parallel manner until June, 1946, there has been a considerable divergence since that date, with United States prices outstripping their approximate counterparts in the Canadian scene. Canadian food imports from the United States are only a small portion of the total imports from this source, so that pressure on our own food price ceilings in this particular respect is not excessive. But our imports of manufactured articles, as well as certain industrial raw or semi-processed products of iron, coal, cotton and petroleum, are very large. The increasing cost of these items places additional pressure upon our own price structure. An indirect pressure is offered by the greater disappearance of our own produce now in short supply that is sold in the United States at high prices rather than in Canada at controlled prices.

I should like to give a brief resume of another article which appeared in a prominent newspaper last week. This article stated that it is evident that business in the United States is due for a shake-down by the middle of 1947. Even the most bullish supporters of the commodity market in the United States feel that the end is in sight, and it is this feeling that is given as the reason for the stock market remaining dull. A comparison of United States commodity prices prevailing last January, this month and those being paid on September futures will show that prices are due to decline considerably. Here is the picture:

	January	Today	September
Wheat	2·06	2·59	2·09
Corn	1·34	1·62	1·51
Cotton	·30	·34	·28
Cocoa	·25	·27¾	·23½
Hides	·22½	·25½	·21½
Wool tops	1·51½	1·58	1·29
Black pepper	·47	·57	·35
Lard	·26	·31½	·24¾

I sincerely believe that if we have the patience to wait a little longer before releasing more controls it will be possible to do so without creating too much disturbance of our economy. Every fair-minded member in this house will certainly realize that the government is not asking for the continuance of these controls for its own satisfaction. So far as I am concerned—and I know there are many others who share my view—I hate this interference of the government in private business.

In one of my previous speeches in this house I drew the attention of hon. members to the fact that I suffer personally from these controls. I have to sell the production of rayon yarn made in one of my plants at the same prices as prevailed on October 11, 1941, namely, seventy-five cents to $1.40 a pound when I could dispose of my production on the New York market at prices varying from $1.40 to $2.60 a pound f.o.b. shipping point. We produce in another plant ladies' shoes which retail in Montreal at from $6 to $9, when the same shoes are being sold at from $20 to $25 in Washington. I use these two items as an example only because I am familiar with them. I think they prove that it is against my own interest to favour controls. On the other hand, what lasting benefit could I expect from a situation in the United States which is bound to collapse at any moment? In the fact of such a precarious and dangerous situation, I prefer to carry on business on the basis of 1941 and not expose my country to an indescribably chaotic economic situation in which I would be engulfed with the rest of the Canadian population.

The government expects to reduce its expenditures next year by $900 million. This is interesting news for the population of Canada, but what is more important is the stabilization of prices without which we would be in the same situation as now exists in the United States where the purchasing power of 1947 salaries is lower than that prevailing during the war, even though there have been substantial increases. Salaries in the United States have increased eighty per cent. Weekly wages in industry averaged $25.20 in 1940 for thirty-eight hours. At the beginning of 1945 these had increased to $47.50 for a week of forty-five hours. The increases in wages have been completely wiped out by the lifting of controls in June last, except on rent, sugar and rice. In comparing the increases which took place in the prices of commodities and wages, the United States secretary of labour admits that the purchasing power of salaried people is seventeen per cent inferior today to what it was during the war.

Since the decrease in the expenses of running the government of Canada, as announced in the federal budget, must reflect a decrease in taxation, the normal consequence should be a decrease in prices. Instead of a decrease in the prices of the necessities of life, it seems that we are on the threshold of a new wave of increases. Some controls have been abolished on some products and prices have increased. Any overvaluation of prices would absorb at least part if not all of the benefit derived from a decrease in taxation. The salaried man would not be any better off. At a time when employment is reaching normal and products and goods of all kinds are reappearing on the market, this man would notice with consternation his diminishing buying power. By that very fact his situation would become helpless. Scarcity of goods caused by the war does not free him from purchasing the necessities of life. He would then be compelled to ask increased wages or strike.

It is easy to prove to him, with indisputable figures, that he is the loser when he goes on strike. On the other hand, increase in salary, which will serve as a pretext for an increase in prices of goods, will create inflation and by the same fact will destroy the benefit foreseen by the increased wages.

Under ordinary circumstances the increase of prices should create abundance and should thereby correct the evil through the law of supply and demand. But unfortunately this scheme cannot produce any satisfactory results to prevent inflation owing to the fact that consumers need too many things at the same time.

During the war the government has assumed control of the economy in this country. Through many mistakes, it has nevertheless brought about useful and indispensable corrections. While our war effort has created an abnormal situation, requiring controls, we have to face the same situation today which is created by an unlimited demand for all kinds of products.

It is not the proper time to relax controls which are still in existence, and it is to be hoped that the government will receive the authority to maintain this policy for a limited period. The members of this house have so fully realized the importance of this precarious situation that when a vote was taken on the transitory measure presented by the Minister of Justice (Mr. Ilsley) on March 18, 177 members voted in favour of the measure while only thirteen members voted against it.

In some requests which I received asking for the suppression of controls I notice there was also a demand to prohibit exportation. Needless to point out, we have an unfavourable balance of around $500 million with the United States for the year 1946. This means we need foreign currency to finance our importations. Moreover, if exports were prohibited how could we dispose of our wheat, bacon, cheese and other manufactured articles that we must sell to other countries if we want to maintain and preserve the position that this country has acquired in the world. If one takes into account the overvaluation of prices in other parts of the world compared with Canadian prices, he would certainly admit that suppression of controls would create an increase in the exports of our products and thus increase the scarcity of same on the Canadian market.

For the above-mentioned reasons and for many others which would take too long to enumerate, I believe that maintenance of existing controls for a certain period is not only useful but absolutely necessary if we want to maintain a sound economy in our country. I understand that proprietors deserve sympathy because they are the most affected, but in face of two evils it is natural to choose the lesser. I would rather see the proprietor rent his house on a cheap basis than witness the renters being thrown out on the street. It is to be hoped that the competent authorities will give preferred attention in the near future to the urgent case of the proprietors.

If I listened to some of my electors who have not given much consideration to the matter I would vote against the controls. In so doing, I am sure I would please them. Unfortunately the duty of a sworn member of parliament does not consist only in pleasing electors and himself but rather to take the interest of the Canadian people at large, no matter how disagreeable his attitude might be on such an important matter.

Before taking my seat, may I draw the attention of the minister to some decisions of the officers of the wartime prices and trade board, which are unjust and detrimental to the interest of Canadian citizens. Personally, I have been the victim of one of their decisions which was far from being equitable, though the case, after different stages, had to be decided finally by Mr. Gordon himself.

Recently a firm in my constituency made application to the timber controller to extend an export permit from 1946 to 1947 because their timber could not be shipped last year, on account of the lack of cars. The permit was refused by the timber controller on the ground that it was not the policy of the board to consider such requests. I do not know the salary being paid to this officer. I imagine he must earn many thousands of dollars yearly. What is the use of paying such a high salary to this officer if he refuses to use practical sense in face of uncontrollable circumstances? A clerk with a weekly salary of $25 could do the job. As a matter of fact, it does not require much experience to tell the people that the rules and regulations of the board must be observed. Though many additional cases could be told the house, I will not mention any more. However I will suggest to the minister that he appoint a committee composed of a few members of the house to reconsider unfair decisions of the wartime prices and trade board officers. There must be someone to judge and straighten out the actions of these officers when their decision is detrimental to the welfare of our citizens. I think this suggestion is a protection which we owe to our people when they cannot obtain justice from our bureaucrats.

I have been told by many of my colleagues that my suggestion would not be accepted by the minister because the officers of his department would not approve it. I have too much confidence in the honesty of the minister to believe this. I am convinced that if my suggestion is not acceptable to the minister, he will find some means of establishing some kind of control over the officers of the wartime prices and trade board. If he does not, I leave it to him to bear the responsibility of his inaction.

When I take the responsibility of voting for a measure of this kind which is very unpopular in many parts of our country the least I can offer to my electors is that I have taken every precaution so that they may enjoy some kind of assurance that their cases will be fairly dealt with.

Mr. FREDERIC DORION (Charlevoix-Saguenay) (Translation): Mr. Speaker, when he introduced this resolution, the Right Hon. the Minister of Justice (Mr. Ilsley) expressed the wish that we wait until the second reading of the bill to fully discuss this measure.

His suggestion might be just and reasonable if this were an ordinary piece of legislation; but when I know that at this very moment a large part of the people on the north shore are undergoing hardships that may be even worse than those endured by the populations of conquered countries; and when I know, as I shall show in a moment, that those hardships are the direct result of the imposition of "controls", you will readily admit, Mr. Speaker, that I cannot pass by a single occa-

sion of protesting against that policy of controls which the government want to maintain.

I say right now that I am far from joining in the praises of Mr. Gordon which we heard last week from certain corners of the house. Our national economy was much too long under the "control" of that man, a real dictator, who did not even have the decency to answer telegrams such as those I sent him and in which I nearly pleaded with him to grant the people of my county permission to obtain the necessities of life before winter had set in, when it is too late to have them brought over to the north shore.

The country in which we live is regarded as essentially democratic, but the claims made by the official representative of 70,000 Canadians carry no weight in the eyes of such bureaucrats who have no responsibility to the people.

An hon. MEMBER: Hear, hear.

Mr. DORION: Had I been speaking in the name of a few financiers instead of pleading the cause of 70,000 Canadians, there is no doubt at all but that I would have gained a better hearing.

The present legislation is placed before us with consummate skill. We admit readily that it may be necessary to control certain economic activities such as the relations between landlord and tenant. But on the plea of necessity, the government are asking us to pass various measures, every one more unconstitutional than the other.

Even as regards rentals, I deem such legislation to be unconstitutional. As I said in this house in 1945, the dominion government should allow provincial legislatures to adopt similar measures, if they are considered necessary. Let us once for all return to the provinces the rights guaranteed to them by the federative pact.

Now, Mr. Speaker, in support of my opposition to this measure, I shall not indulge in academic discussions. In the last twenty-five years, when I had to plead cases before the courts of my country, I always made it a point to present facts, and once the facts were proven, draw conclusions. I should like to present a series of facts which, I am convinced, will substantiate my opposition to the continuation of controls.

I might explain, in the first place, that my constituency extends over a distance of 900 miles on the north shore of the St. Lawrence; in the Charlevoix section the population is composed of farmers, whereas the Saguenay district is inhabited by fishermen. The last 600 miles of the St. Lawrence north shore are also inhabited mostly by fishermen, and no lands suitable for cultivation is to be found there. Therefore the fishermen depend on supplies shipped to them from Quebec city and Montreal. As the hon. members know, navigation in that large section of the province of Quebec is usually interrupted at the end of November. It is absolutely necessary, of course, that those people bring in adequate food supplies for the winter season, which extends from early December to the end of April and even into May, before it is too late. To those people, as to anyone else, milk is one of the prime necessities of life. Unable as they are to obtain so much as a drop of fresh cow milk on the coast, they naturally have to bring in evaporated milk all the way up the north coast. As a provident people, who know they must not wait till the very last days of fall to bring in needed provisions, by last August they had come down to Quebec and Montreal in an attempt to secure goods to carry them over the winter. I have just called them provident. Knowing they sometimes have to put up with much hardship, they generally provide as best they can for possible emergencies. For all the makeshift means at their disposal, they none the less insist on taking the best possible care of their health. And here, Mr. Speaker, may I quote parts of a letter I received early last January from Dr. Currie, a member of the International Grenfell Association and the hospital superintendent at Harrington:

(Text):

I am a newcomer to the coast and only here for the winter months, having practised in the city of Regina, Saskatchewan, for twenty-one years, then bought a fruit farm near Toronto, Ontario, and one year ago retired but came out of retirement to give a hand out down here.

I have been here only two months but have covered all settlements from Romaine to Blanc Sablon and am starting on the second round trip tomorrow, weather permitting.

Thought you might be interested in the medical aspect of your constituency. As you perhaps know, health conditions are not what they should be.

Deficiency diseases are rampant, such as bad teeth in both old and young, poor vision, susceptibility to skin diseases, all due to faulty diet, lack of fresh fruit and vegetables and the essential minerals. Estimate over 1,000 people with scabies (itch) and impetigo along this coast. This is generally being brought under control. It is not due to dirt or unclean bodies in these people as I have been amazed at the cleanliness of their bodies, have not even seen a pair of dirty feet.

Many cases of gastritis, duodenal ulcer and gall bladder disturbances, due usually to indiscretions of diet. These respond to proper diet usually.

Have seen a number of cases of high blood pressure, mostly in women over 50 years. This I did not expect to see at sea level.

(Translation):

So, Mr. Speaker, it is clear that the living conditions of the inhabitants of the north shore are normally very hard, but when they are worsened by the implementation of control measures such as those that are in force we are bound to arrive at the results described by Dr. Currie in the report he sent me.

I said, a while ago, that last year, these people tried as usual to get their supplies in as early as August last. Here is a letter from one of the most important merchants of Natashquan, Mr. Emilien Landry, an excerpt of which I shall read to you. The letter is dated August 26, 1946:

During my last trip to Quebec city, early in August, I wish to make arrangements to order my stock of evaporated milk for the winter and, at the time I was there, on August 3 to be exact, an order was issued forbidding all or nearly all shipments of evaporated milk to the north shore, for the reason, I was told, that more milk had already been shipped to that district than in 1941.

See how intelligently the controls are administered. In August 1946, a good looking man, comfortably seated in an office in Ottawa or in Toronto, learns that the people of the north shore have had more evaporated milk than in 1941, it matters little whether they lack food during the coming winter. He decrees arbitrarily that no more milk will be shipped to those people.

Which meant that milk was the object of a black market on the north shore. At least, that is the answer I received on the occasion of my visit to the office of the board in Quebec. On the other hand, I cannot see what outlets we could have had for such a black market, considering navigation facilities we now have at our disposal, namely, two boats that call at the same time and do not show up before another fortnight.

How ridiculous it is for the representatives of the prices board to make such an assumption when we know that all the places I have mentioned on the north shore are isolated from each other! How can it be said that those people were in the black market business? With whom could they have traded?

Moreover, they cannot leave their place except to go fishing a few miles off shore. Their only means of communication with the outside districts is the boat which calls every two weeks.

However, as soon as I found out about the situation to which the people of the north shore were being subjected, I at once tried to get in touch first with the office of the prices board at Quebec. Unfortunately, I did not obtain satisfaction. In passing, may I say that all the officers in the Quebec branch of the prices board gave me, in this and every other instance, their full cooperation; however, they were unable to do anything. They had to follow the instructions of the controllers. At the end of August, I described our plight to the Quebec office of the prices board to the best of my ability. I then received from an official of that board a letter dated September 6, from which I quote the following excerpt:

As stated in the course of our telephone conversation, Saguenay county is a "free zone" as far as the rationing of evaporated milk is concerned. Wholesalers operating in "restricted zones" and requiring extra coupons to cover their deliveries to free zones should apply directly to the wholesale administrator, Metropolitan building, Toronto.

In other words, Quebec and Montreal merchants wishing to supply the population of the north shore with condensed milk had to request permission from a Toronto gentleman who had not the faintest idea of conditions prevailing in our province.

Towards the end of August and the beginning of September, I received a great many letters from merchants all along the north shore complaining about the restrictions to which they were subjected. Some of these are really pathetic. In September, realizing that they would be caught by the oncoming winter season without supplies for the children of their district, therefore, still trying to help these people—it was my duty to do so—I contacted the controllers in Ottawa and Toronto but unfortunately, I obtained no satisfactory results.

Incidentally, may I quote a wire which I received on September 6 from the mayor of Sept-Iles who explained the said lot of his fellow citizens:

Please contact Mr. Hugh Cree, distributive administration, Toronto. Village in sad plight without lard or condensed milk. No farmers in district. According to physician's report, submitted today, many children suffering now. Please understand we plan for six months ahead, being cut off during winter season. Heard today from our wholesaler that 1,600 cases of milk for north shore are frozen by government. Would appreciate prompt reply.

J. R. Vigneault, Mayor of Sept-Iles.

About the same time I received another letter from Godbout in Saguenay county. Let me read from it the following excerpt:

Ordinarily, I buy from 50 to 60 cases of evaporated milk for my store during the winter season. But now I have no way of securing it. If existing conditions continue, we shall be unable to obtain milk for the winter and our people will go without milk for their children.

The dealers have milk that could be sent to the coast, but they are under government orders not to do so.

During the same period, I received a similar letter from the mayor of Riviere-au-Tonnerre. On September 5, when I had come to the conclusion that it was impossible to correct this abnormal situation through the wartime prices and trade board's officials in Quebec, I sent a message to Mr. Hugh Cree, wholesale retail food director, Metropolitan building, Toronto, explaining the predicament of my constituents. My message was dated September 5. On September 9, four days later, as I had no answer from this controller, I decided to send another communication and finally, not having yet received an answer on September 10, I thought that as a member of parliament, representing a population of 70,000, I might at least get in touch with Mr. Donald Gordon, chairman of the prices board. I therefore sent him on that day a message of which I have here a copy, giving him a clear and lengthy description of the near plight of my electors and asking him, as a special favour, to remedy that condition. On September 13, having received no answer from Mr. Gordon, I presumed that my message might have been overlooked and I sent another, urging him to kindly take whatever action might be needed to help a population and specially children who, without his assistance, would in all probability have to endure very severe hardships. But Mr. Gordon did not take the trouble to answer. Little did he care for the Canadians along the north shore.

A few days later, on September 12 or 13, I received from Mr. Hugh Cree, of Toronto, a letter from which I quote the following excerpt:

(Text):

In an effort to correct the situation and stop the distribution of needed reserves, suppliers in restricted areas were reminded that shipments into free areas such as the north shore must not exceed basic quotas.

(Translation):

Note this, Mr. Speaker. The controller himself told me that the north shore people drank more milk than usual this year and will therefore have to do without for the rest of the winter. The children of the district, scattered along the coast, will have no milk next winter; such is the decision of the controller.

While we are deprived of this essential commodity, our government is doing its utmost to push it on the export market. According to information supplied in answer to a question which I asked recently, Canada produced, from August 1945 to July 1946, 198,394,000 pounds of evaporated milk. During the same period, we shipped abroad 62,423,900 pounds of this product while Canadians on the shore line did without. The controller had decided to deprive them of milk because this year they drank more than in 1941.

Such are the fruits of the control policy. Some people may claim that these are a few isolated cases; but I suggest, Mr. Speaker, that this bulky correspondence in my hand, these exchanges of telegrams, these numerous telephone conversations are proof enough that our dictators were not in the least concerned about the plight of the north shore people. Furthermore, I maintain that many cases similar to the ones I have just mentioned could be brought to our attention by other members. I am convinced that the same situation exists in various constituencies of my province and elsewhere. We had reached November, and still our people were clamouring for help.

Allow me, Mr. Speaker, to quote a few excerpts from a letter which reached me on November 18, 1946, almost on the eve of the closing of navigation. It was sent to me from Riviere-Moisie:

I have just written to you about an application I have filed for a permit to secure Carnation milk. I had asked permission to obtain 60 cases for the winter season. It is two months since I have had any to sell. I had been counting right along on that permit, but now I have been advised that I will receive only 10 cases...

We have no milk for sale here; the other dealers have none either.

As the season is far advanced, it would be necessary to ship the milk next week, for the longer the shipment is delayed the greater the risks of freezing. I am counting on you as I know that you are aware of our plight, especially that of our infants. Mothers are wondering how they will feed their babies, as there are a large number of them and all are fed on Carnation milk. It is not logical that we should allow our own children to starve in order to send our foodstuffs overseas.

Those are the letters which I have received from the merchants of the north shore during the months of August, September, October and November, 1946. But I was unable to obtain from those gentlemen of Ottawa and Toronto the permission to send supplies to our merchants. Finally, in December, I succeeded in obtaining a small portion of their requirements. May I, on behalf of my constituents, thank sincerely the Minister of Transport (Mr. Chevrier) for the help which he gave us when, at the end of December, it was necessary to enlist the services of an ice-breaker in order to send foodstuffs to the north shore. As the river had frozen over, navigation was closed in all the bays of the shore. Hence it was necessary to use an ice-breaker in order to send supplies to the merchants. As I said just now, these are facts, amply sufficient to show that the government's present policy in the

matter of controls is absolutely nefarious. Against the facts I have adduced, nothing has been advanced so far but theoretical considerations. It is claimed that frightful chaos would follow in the wake of decontrol, but I have yet to hear facts in support of such a claim.

That is why, Mr. Speaker, I am opposed to this control policy. I feel that the people of this country should no longer be subjected to the whims of bureaucrats. I know that Canada has all the resources required to avoid a predicament such as I have just described. If it were proved that certain controls are still necessary, then, Mr. Speaker, the government should assume its responsibilities. Let the ministers assume responsibility, let them take away dictatorial powers from irresponsible bureaucrats and when I have cause to complain of conditions such as I have just described, I shall know just what minister to blame.

(Text):

Mr. PATRICK H. ASHBY (Edmonton East): Mr. Speaker, I was going to claim sabotage, because I have been squirming about in my seat, jumping up every little while during the past two hours, and I am sure I have worn my pants as much tonight as ordinarily would be the case in a month.

Canada is a big business, with a great many branches such as agriculture, mining, transportation and so forth. This great business is owned by its shareholders, the citizens of Canada. I do not know who would own this great business but the people of Canada; and when the matter of controls comes up I immediately ask myself: control whom, by whom, and for what purpose? The greatest of all controls is taxation, and I went into the library for the sole purpose of reading up a little on taxation. I opened the encyclopaedia and noticed one quotation from what I must assume to be the greatest authority in the world on this matter. I called the librarian and asked if he would obtain for me the book by that author. In about the time it would take me to pluck a chicken he brought it to me, and here it is. I see a page boy has just brought me some water. I hereby christen this book, representing orthodox political economy, under the name of "Bureaucratic Blanc-Mange". I should explain what I mean by blanc-mange. That is a French word meaning nothing more or less than plain, ordinary cornstarch pudding, spelled "pudd'n". Perhaps I should explain what I mean by bureaucratic blanc-mange. It does not matter what problem may face us; it does not matter what definition we seek, there is only one place to go for the answer. That is back to nature, so let us go back to the farm.

My wife has reminded me that unless I go over my hives we are not going to get the honey we deserve. So of course I ask her where I left this, that and the other thing, as is natural with most husbands. She tells me where I left everything, and I gather up the various odds and ends required, such as a bee veil, a smoker, an old piece of sacking, some matches, some toothpicks to pry into suspicious looking cells, a little pair of scissors to clip the wings of the queen, and a hundred and one things including a notebook and pencil to keep a record of each hive, and I start off toward the hives looking like Robinson Crusoe. But I am stopped by my little daughter, who pulls at my overalls and says, "Daddy, if I help you with the bees will you give me all the honey from one hive"? What father could refuse such a request? Taking note of her delicate little hands and fingers, I see an opportunity to have that child pick up the queen bee so that I can clip her wings without injuring her. I arrive before a hive, ready to operate, as it were, and I say to my daughter, "A little anaesthetic", meaning a little smoke; I tap on the top of the hive, indicating that I am coming in; I ask for the hive tool, and open up the bowels of the hive exposing the combs. I lift out a comb. There on the bottom are queen cells, and I begin to cut them away. My little girl notices a specialized substance in these cells and inquires what it is. So I explain that a queen bee lays eggs, that when those eggs hatch out they are fed a normal diet and worker bees emerge. Fed a specialized diet, drone bees emerge. They are the ones that live on the products of the toil of the others. Fed a highly specialized food called "royal jelly", the larvae will hatch out and turn into royal queens.

I take one of these cells, about the size of an elongated thimble, and squeeze a glob out of it and offer it to the child, saying, "Taste it." She, being like her mother, keeping one eye on business and the other eye on me, says, "You taste it first." Well, I can't very well back out, so I take some in my mouth but I immediately turn my face from her because it shrivels up my tonsils till they are like a dried prune; the roots of my back teeth shimmy in their sockets and I am rendered temporarily cross-eyed. However, with a gulp I quickly recover my normal composure, face her again and say, "There, you see; it is all right." She asks, "You didn't spit it out?" and I truthfully reply "Oh, no, I didn't spit it out. I swallowed it,

and now it is your turn." I squeeze a great glob of it, including the wriggly larvae, or maggot, into her pretty little mouth. The immediate result startled me, for she licked her pretty little lips, looked up into my face and said, "That's pretty good stuff, eh, daddy?" The ultimate result, however, was astounding; for ever since that day the child has stood at the top of her class in school, and I have become a member of parliament.

This bureaucratic blanc-mange is very similar to royal jelly, because if this is fed to unsuspecting, gaping, gullible students they are certain to turn into bureaucrats.

I now open the book, and here are two full pages of testimonials. Let me read just a couple of the shortest, just one sentence. Here they are from Leland Stanford university; Brimfield, Massachusetts; the Idaho Industrial Institute; Boston university; the university of Chicago; Liege, in Belgium; Columbia university, the university of Kansas, the university of Texas, Yale university and so on. Here is a short testimonial by one of these professors of political economy:

> It contains admirable features, and I shall recommend it to our students.

Here is another:

> It is, I think, the best . . . treatise that I have read. How clear and simple it is!

This, hon. members will understand, is the real cat's whiskers. Let us see what this man says in regard to taxation. He starts out by saying, "First of all, students, you must never forget"; that is the way these professors, with profound dignity of deportment, speak to these poor, gullible students. He says:

> First of all, it is to be remembered that taxation . . . may be looked upon as a blessing...

That is his opinion. My opinion is that it is a blessed evil—and I believe my opinion is just as good as his. But listen to what he says further on:

> Taxation stimulates individuals to endeavour by increased industry and economy to repair the breach taxation has made in their fortunes.

Can you imagine that! In other words, if you are out fishing in a rowboat, with your family, don't let the kids know, but just carry a small axe along with you, and knock a hole in the bottom of the boat. The whole family will be stimulated with renewed efforts to repair the breach you have made in the boat. And that is the sort of bureaucratic blanc-mange that is fed to students in this day and age.

Let us have a look at these bureaucrats. At the time of confederation they claimed, mind you, that we owed a tremendous amount of money. They said we owed $93 million. Under their careful, painstaking, thorough and efficient supervision it increased to $500 million in 1912, to $544 million in 1914, to $1,000 million —a billion dollars—in 1917, to $2 billion in 1919, to $3 billion in 1920. In 1939 it was $3,710 million and in 1946 it was $17 billion. And these bureaucrats want us to hand over controls to them today! Can you imagine it!

Here are the shareholders of this great business of Canada, which has been so wonderfully prosperous and has produced untold wealth in coal, in food stuffs, in oil and tar sands, in everything imaginable under the sun. And then these bureaucrats actually tell us we have been operating at a loss. Don't believe it. It is not true. I claim that the people of Canada, the shareholders of this business, have been robbed and deceived all these years into believing that these bureaucrats have been doing their duty faithfully, when in fact they have been sabotaging the resources of this country, which belong to the people. That is why we say it is time an accurate and true record was kept of our business and a dividend paid. I am certain of this, that no country in the world can show such prosperity as Canada. No business in the world can pay such dividends to its shareholders as can this dominion.

I am a farmer, a practical one, and it grieves me to know that the people of Canada, who are so trusting, will actually permit themselves to be so sabotaged. Look at this, as an example: In 1944, in hogs alone we produced 8,863,830. And we produced them at a time when the majority of our able-bodied young men and women were away from home. Taxation officials were not imposing such restrictions upon us at that time; they were leaving us alone. But no sooner was the war over than the enemy set its troops on the farmers throughout western Canada. They have not bothered the people in Quebec, because they know very well what would happen there. But out in western Canada these enemy troops have attacked agriculture, claiming that they are after money to pay debts—to pay for this, that, and the other thing; whereas their real objective is to pry and spy into the affairs of every person in Canada, and to keep a record for no other purpose than that of establishing socialism. And that is right here in Canada. It is a domesday book; that is true.

It is an old trick, as old as the hills. Here is the communist manifesto. What does the second paragraph in the list say? It says that there must be a heavy and progressive or graduated income tax against all the people. Is that not what we are doing now? You cannot establish communism until you do impose a heavy income tax upon the people,

robbing them of their hard-earned money and rendering individuals dependent upon the state. That is the only objective of taxation —to enslave the people of this country.

What in the world are we doing today, I wonder? Why, at the time of the Petition of Right, the people were not afraid of kings. Listen to this. Paragraph 4 reads:

> Resolved that the ancient and undoubted right of every free man is, that he hath a full and absolute property in his goods and estate, and that no tax, tallage, loan, benevolence or other like charge ought to be commanded or levied by the king or any of his ministers, without common assent by act of parliament.

The whole issue at stake at that time was between members of parliament—the House of Commons—and the king. The whole fight today is between the House of Commons—hon. members who sit here—and the bureaucrats, and bureaucracy. Are we afraid of bureaucrats?

In the year 1100, in connection with the Arabs, I read this:

> Eleven hundred years after the birth of Christ we find conditions very similar to our own existing. Taxation reached burdensome proportions, farms were neglected, soil robbed of its fertility, sand storms, dust storms, plagues and famine stalked the land. The people finally revolted against socialism and communism and once more began anew.

That was away back in the year 1100. It states further:

> The subjugated people shared in a common fate of excessive taxation and oppressive rule. No wonder if under such conditions no creative work in art or literature was produced.

That was written by Professor Philip K. Hitti, of Princeton university, in his book, "The Arab".

Now let us see what has happened to our hog production. It is reported that in 1944 we produced 8,863,830 hogs. Last year the production had dropped to 4,465,159, or a loss of nearly 4,500,000 hogs. These bureaucrats would tell you that it is because Mars winked at Venus, and she let him down, or something of the kind. They will give you some excuse. The reason is that these controls are being used for no other purpose than to restrict production. If these bureaucrats do not know the results that are going to ensue they ought to be fired, discharged—dishonourably discharged—from their duties. That is what I would do, if I were in a position to do it. There would not be a deputy minister in his office tomorrow morning.

Can you imagine the shareholders of this great business, the people of Canada, being insulted and ruled by these dictatorial bureaucrats?

Mr. BLACKMORE: Sold down the river.

[Mr. Ashby.]

Mr. ASHBY: Yes. Controls usurp the legitimate sovereignty of the people. That being true, those who seek to usurp the rights, powers and privileges of the sovereign people of Canada are guilty of high treason. That is a serious charge. The people of Canada can and, I believe, should demand the arrest of every deputy minister employed in every department and place them on trial for the serious offence of high treason. I think we would get some results if that happened and I should like to give evidence at such a trial. The power to tax is the power to destroy and that is the only reason why they have usurped this power.

Away back in the time of Charles I, the people through their representatives protested against government by order in council. The authority for the forced loan at that time came from the council. Those who refused to pay, those who revolted against that undemocratic compulsory law were examined by the council. The protest of the members of parliament was that the council was taking upon itself both the functions of the judicial courts and those of parliament, and that is exactly what these bureaucrats are doing today.

Let us see what the Lord Chief Justice of England has to say about this. I do not think any other country in the world can claim to have greater justices than those to be found within the British empire. I should like to quote from the book, "The New Despotism" by Right Hon. Lord Hewart of Bury, and I read from page 11 as follows:

> A little inquiry will serve to show that there is now, and for some years past has been, a persistent influence at work which, whatever the motives or the intentions that support it may be thought to be, undoubtedly has the effect of placing a large and increasing field of departmental authority and activity beyond the reach of the ordinary law.

And later on:

> . . . a despotic power which at one and the same time places government departments above the sovereignty of parliament and beyond the jurisdiction of the courts.

And again:

> That there is in existence, and in certain quarters in the ascendant, a genuine belief that parliamentary institutions and the rule of law have been tried and found wanting, and that the time has come for the departmental despot, who shall be at once scientific and benevolent, but above all a law to himself, needs no demonstration.

And again:

> It is that the whole scheme of self-government is being undermined, and that, too, in a way which no self-respecting people, if they were aware of the facts, would for a moment tolerate

And again:

. . . the goal . . . is to subordinate parliament, to evade the courts, and to render the will, or the caprice, of the executive unfettered and supreme.

Coming, as it does, from such an authority as that, we should realize the meaning of controls.

Mr. BLACKMORE: When was that book published?

Mr. ASHBY: It was reprinted in 1945. I noticed a small article in the Edmonton *Bulletin* by Harold L. Weir, a very wise man, which I should like to put on the record because it bears directly on this matter. It reads:

Decline of Parliament

There is no doubt that the power of the Canadian parliament and especially the power of the House of Commons has declined seriously in this generation. This gradual undermining of parliamentary authority may well be regarded as the most sinister development of this age.

The Canadian constitution, that is to say, the constitution of tradition as well as of statute, was developed on the democratic principle that primary governmental authority should be vested in the smallest units of government and the larger units should enjoy residual authority.

In other words, all government possible for the municipality to effect should be in the hands of municipal or civic councils. All affairs which are beyond the municipality but are within the scope of the province, should be left with the provincial legislatures. Inter-provincial or foreign matters are clearly the business of the central government at Ottawa.

The present trend is decidedly away from this basic principle.

Thus, the current dispute between the provinces and Ottawa is clearly more than a question of subsidies and taxation. It involves centralization of control in Ottawa. And that centralization of control is daily violating to a more alarming degree the democratic structure of this country.

Every power that is stripped from the municipality or the province is an unhappy step towards the fascist system.

During war time, centralization of control was perhaps an emergent necessity. Some vestige of central control may be essential while the nation moves into normality again.

But it is utterly wrong to argue that centralization must be maintained on the grounds of efficiency because efficiency is not the first consideration in a governmental system.

Efficiency is an excellent objective. But when the steps taken to secure efficiency destroy even better objectives, efficiency can become dangerous.

Freedom of enterprise, for instance, is infinitely more vital than mere efficiency. And controls necessary in a war economy can very easily become intolerable bonds once the need for them is gone.

Italy was translated into a corporate state to give the people employment and to "make the trains run on time." These were splendid purposes. But in the achievement of them the Italian people lost their freedom and very nearly lost their souls.

The centralization of power became so great in Italy that the common man became a slave.

And that is the great danger today in Canada. Once we restrict the right of the common member of the Canadian Commons to have a free voice in every public policy we will have lost much of our democratic right of governing ourselves. No matter what is gained in efficiency or financial yields or even administrative economy, the loss in democratic freedom is frighteningly greater.

The Right Hon. Mr. Ilsley to the contrary, the cabinet must be the servant of parliament. It governs the country, not by a divine right, but by the will of the people. Once we assume that governmental power is derived from elsewhere than the people's will, we are throwing overboard the very fundaments of democracy.

The member who permits himself to be dominated by a party whip is untrue to his functions. When a man is elected to represent a constituency, he must raise his voice in behalf of that constituency no matter what his party says or thinks.

Does that practice prevail today? It is so rare as to be practically non-existent.

If liberal and democratic ideals are not to go into eclipse before an encroaching fascism or a protesting socialism, the early power of parliament must be restored. The necessities of the war years must cease to shackle democracy.

It is only too easy, because Ottawa presently holds the purse strings to sometimes surrender rights for security.

It is an evil deal. To trade freedom for security is a precarious business. To have security without freedom is to be in chains.

I happened to discover quite by accident the cause of our difficulties. I played hooky the other night and went down to see some of the members of those adorable creatures the fair sex skating at the ice carnival. I paid $2 for my seat, but I lost about thirty-five cents worth of my enjoyment when my mind was brought back to parliament. Of course I went there because I could see more of these beauties than I ordinarily could on the street and therefore could admire them the more. I asked myself the question, how on earth can any human male possibly avoid marrying one of them? In fact I think so much of them that I would have married a half dozen of them by this time if my wife had not kept her eye on me and I had not watched myself pretty closely. How on earth any young Canadian could possibly sit on a sofa with one of these lovely creatures and edge away from her is more than I can say. Right then and there it struck me like a bolt from the blue that Canada has suffered for over a quarter of a century from bachelor administration.

Mr. J. A. ROSS (Souris): I am sorry that I shall not be able to follow the previous speaker.

Mr. SINCLAIR (Vancouver North): The house could not, either.

Mr. ROSS (Souris): May I say that the war was won on the battlefields, in the air, on the seas, on the farms and in the factories and that on the present emergency powers measure, in reply to the Minister of Justice (Mr. Ilsley), the leader of the official opposition (Mr. Bracken) agreed that the main debate should take place on the second reading of the bill which will be introduced following this resolution rather than on the resolution stage. However the leader of the socialist group (Mr. Coldwell) did not agree with this and, since then, we have listened to some thirty odd speeches, fifteen of them by members of the government and five by members of the C.C.F. group to my left.

In speaking on this measure on the evening of March 20, the leader of the socialist group, the hon. member for Rosetown-Biggar (Mr. Coldwell) said, as reported at page 1588 of *Hansard*:

We should, in the interests of the Canadian people, not only maintain useful controls but, in some instances, even reimpose controls that have been lifted.

At page 1590 he also said:

We believe in social planning and public control.

May I say, Mr. Speaker, that we have had fine examples of social planning both in Germany and in Russia.

Mr. NICHOLSON: Does the hon. member make any distinction between the countries?

Mr. ROSS (Souris): I do not know how much there is.

Mr. NICHOLSON: The hon. member does not make any?

Mr. ROSS (Souris): Other speakers have said it is no wonder that the farmers are worried about their costs of production and so on. I have compared the arguments of these same people of that group of a year ago with their arguments of this session. I well remember that when we were debating the wheat issue in 1946 these people as a group unanimously swallowed hook, line and sinker with respect to the United Kingdom-Canada wheat agreement. Some of the same speakers today are endeavouring to crawl out from under. With reference to the inference of the hon. member for Mackenzie (Mr. Nicholson) may I just give one or two quotations taken from *Hansard* of the war years of the remarks made by the socialist leader of the group, the hon. member for Rosetown-Biggar. In the House of Commons on June 5, 1940, as reported at page 545 of *Hansard*, during the discussion on the unemployment relief and agricultural distress measure at that time, the hon. member said:

The secret of the recent success of the Germans is the fact they have consciously planned their economic structure.

Then on March 18, 1942, at page 1430 of *Hansard*, on the war appropriation—

Mr. NICHOLSON: Read it all.

Mr. ROSS (Souris): I have not time to read the whole speech.

Mr. NICHOLSON: Then the hon. member must be doing it for a diabolical purpose.

Mr. ROSS (Souris): The hon. member said:

On the other hand, we have another nation with another theory called communism . . . the basis was planning . . . The basis was the control and utilization of the economic resources and labour of those nations . . . They did a remarkable job in a short space of time.

Then on July 11, 1940, again at page 1520 of *Hansard* the same member said:

Policies and controls advocated by the British Labour party are the same as the policies advocated by the Cooperative Commonwealth Federation.

Then some question was asked my good friend, the hon. member for Melfort, (Mr. Wright) who is a fine successful farmer. The question was: "What about the nationalization of land?" The leader of the C.C.F. party said, on November 14, 1940, as reported at page 117 of *Hansard:*

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.

Therefore there is that planning in all these various nations.

I was surprised this afternoon in listening to the speech of the hon. member for Cariboo (Mr. Irvine), who belongs to the same group, on taxation. He severely condemned the farmers who had continued to farm while the grain exchange and such other people whom he mentioned, took the profit until the farmer went broke and still continued to farm but then refused to milk cows and feed pigs for Ilsley. I wrote down exactly the words that he used this afternoon. I can quite understand the hon. member and several others of his colleagues not knowing very much about farm problems; but I would think he might have consulted his farmer colleagues of the socialist group before making such a statement about the farmers of this nation. I think it was rather uncalled for.

I wish to make some comparisons of prices in Canada and the United States as of March

4, 1947. This is the price of wheat per bushel —and this at North Portal. For any hon. members who do not know where North Portal is, may I say that it is on the boundary line, half in Canada in the constituency west of mine and half in the United States. It is rather an odd situation. The man who takes his bushel of wheat into the elevator on the Canadian side as of March 4 received at that elevator $1.20 a bushel. A few yards across the street in an elevator in the United States his neighbour received $2.22 for the same type of wheat.

Mr. NICHOLSON: What did he pay for his bread in the other place?

Mr. ROSS (Souris): I shall come to that a little later. Barley per bushel—and these are figures for Cartwright, Manitoba, in my own riding, and Searle's, North Dakota, right across the border—67 cents in Canada and $1.65 in North Dakota; oats 52 cents in Canada and 74 cents in the United States; a 1,000-pound steer, a good finished animal, would net the Canadian producer $140; the United States producer, $255; a 210-pound hog would bring in Canada approximately $34 as compared with $61 in Chicago.

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

Mr. ROSS (Souris): I have not much time. I should be very glad to answer the question when I complete my remarks if the hon. member will ask me then.

As of March 1, 1947, to purchase a Farmall M. tractor, International company tractor, in Canada required 1,225 bushels of wheat; in the United States, 710 bushels of wheat. To purchase a 3-furrow International tractor plow in Canada required 151 bushels of wheat; in the United States, 82 bushels. To purchase a 24-run International double disc seeder in Canada required 270 bushels of wheat; in the United States, 146 bushels. To purchase a 10-foot International binder in Canada required 333 bushels of wheat; in the United States 184 bushels. To purchase the same tractor in Canada would require slightly over the price of eleven finished 1,000 pound steers that I have spoken of, while in the United States the same type of tractor would require the proceeds of only slightly over six such animals. In the matter of hogs it would require forty-six select hogs weighing 210 pounds in Canada or twenty-six such hogs in the United States to purchase the same type of tractor. After all, what you can purchase with the goods that the farmer produces is what he is interested in. To purchase the same type of tractor in Canada would require on that date 2,365 bushels of barley; in the United States, 955 bushels. According to a press report from a reliable paper, dated March 10, 1947 the International Harvester Company announced that it would institute, by April 1 of this year or before, reductions in prices of many lines of tractors, farm machines and motor trucks. Mr. McCormick estimated the price cuts would save harvester customers $20 million a year. Within the past few days these price reductions have been announced, running in some instances to as high as a ten per cent reduction in the prices of certain types of tractors and machines. The disparity in the purchase price of automobiles, as most people know, in each country is at least twenty-five per cent greater than is the disparity on farm implements. More than that, the people employed in the United States receive a greater remuneration for their services than people working on like jobs do in Canada. That is also recognized, and the point there is that the standard of living is higher in the United States than it is in Canada.

Some mention was made this evening about the production of live stock in this country. The greatest production of hogs for market in the history of Canada was in 1944, and that rather on a sound economic basis as compared with some of the controls we have developed in the later years. Out of a total of 8,863,178 hogs, 5,768,046 were produced in the prairie provinces where the grain was also produced to feed the animals. Alberta led all provinces that year, producing 2,981,940 hogs. In 1946, Canada as a whole produced only 4,465,161 hogs. May I also add that during 1945 there were in Canada some 6,760,000 beef cattle, and of that total 3,596,000 were in the three prairie provinces.

We have some of these controls in this omnibus bill applying to the agricultural food board and agricultural products, and the Minister of Agriculture (Mr. Gardiner), in a statement on March 17, said that the production of dairy products, meat, poultry and eggs in 1947-48 will depend upon the feed supplies available in the form of pasture, fodder and grain produced in this country, and that, effective March 18, the system of advance equalization payments will be discontinued and the Canadian wheat board will stand ready to buy all oats and barley offered at new support prices, in the case of barley the floor price to be ninety cents a bushel and in the case of oats, 61½ cents a bushel. These support prices remain in effect until July 31, 1948.

Because of the continuation of price ceilings on animal products, payments of ten cents a bushel on oats and twenty-five cents a bushel

on barley will be made under the same conditions as the twenty-five cent payment on wheat purchased for feeding purposes. The government will continue to pay freight on grain for feeding purposes shipped east from Fort William or Port Arthur and west from Calgary and Edmonton until July 31, 1948, and the Canadian wheat board, either directly or through agents, will become the sole exporter of oats and barley.

Now on the basis of requiring twenty bushels of barley to produce a select hog, that twenty-five cents a bushel rebate to the hog producer other than on the prairies gives that producer a $5 per hog advantage, and in the free freight on his feed alone, and in transportation cost on the dressed hog there is approximately $4 difference as between Montreal and Edmonton, thus giving the eastern hog producer approximately $9 per hog advantage over the man in the prairies who may produce both the grain and the hogs on the very same farm.

Not only have we under these controls the great disparity, as set forth, as between the United States and Canada, but we have this great disparity in several sections of Canada, with the taxpayer of Canada settling for the difference under his or her personal income tax. As of November 30, 1946, these freight assistance and feed grain subsidy payments amounted to $105,081,627.62. That is quite an item which the taxpayers of the country had to account for in connection with that system of controls, which to me is not a sound economy for this country.

I have here a copy of an advertisement sponsored by the dominion government and appearing in various newspapers of western Canada during the spring of 1941:

> Help Canada win the war by growing less wheat in 1941. See the secretary of your municipality. He can help with your application. Get your application completed by May 1, 1941, if possible. Published by authority of the dominion Department of Agriculture.

When you think back over the past few years and compare this with what I have termed on previous occasions the ridiculous 1946 United Kingdom-Canada wheat agreement, and further controls that place an unfair burden on the wheat producers of the country, I think it is interesting. The same case might be made, I understand, with respect to the potato producers of the maritimes or the milk and cheese producers of Ontario and Quebec. My colleague the hon. member for Hastings-Peterborough (Mr. White) speaking on March 6—his remarks may be found at page 1069 of *Hansard*—placed on the record at that time a brief submitted to the cabinet on November 28, 1946, last, containing a detailed statement of the cost of producing 100 pounds of milk for sale to cheese factories, condenseries and creameries. And so the same situation obtains under these controls in various sections from coast to coast.

I am quite convinced that the reason for so many shortages in essential goods today is to be found in these controls. Many big business interests have rather liked the controls. They prospered under them during the war years. These controls gave them markets and freed them from competition which would probably have come from many small business people in the country.

As has been said in previous debates on this matter, you cannot have it both ways. It has been next to impossible for some time to procure proper clothing in Canada for young children. I am surprised that some of my hon. friends who spoke earlier did not cite that fact along with their other arguments. Let them ask mother how difficult she finds it to obtain satisfactory clothing for young children.

Mr. CRUICKSHANK: Also ask them about controls.

Mr. HACKETT: We do not have to; we know.

Mr. ROSS (Souris): It has been very difficult and in some cases really impossible for some veterans to set themselves up in small business owing to these controls. Quite a few of these cases have come to my notice and I have taken them up with various controllers. When I could not get a satisfactory decision from them I took the matter up later with the responsible minister in charge of the wartime prices and trade board, or with his deputy minister. They gave me a courteous hearing and due consideration, but on no occasion did they upset or reverse the decision of the controller who had first determined the question with respect to the establishment of these young men in business. It may be true enough, as the minister said the other day in rebuttal of the hon. member for Eglinton, that there were shortages, but the shortages were distinctly brought about by the operation of the controls.

We have the present deplorable veterans housing muddle in Canada as a shining example today. Just today in the mail I received a letter from one in my constituency, from Boissevain, Manitoba, from rather a different angle. He said:

> As president this year of the Boissevain hockey club I would like if you would draw the attention of the minister who this applies to, we have bought this year over $400 of hockey sticks and the sample of stick is a disgrace for the price that we have had to pay, $2.75, which

before the war a better stick could be bought for $1.50 and besides about six or seven sticks would be broken each game.

Mr. CRUICKSHANK: Shame.

Mr. ROSS (Souris):

We go on record that unless our manufacturers down east at Brantford and other places can't do something about the sticks that they are putting out that the government allow sticks to enter from the United States duty free, they have a far better stick as has been proven in Winnipeg this year when American college teams played in the city.

May I add that this chap was an ardent supporter of this government in the past. I am not surprised that the hon. member for Fraser Valley (Mr. Cruickshank) says "shame," because he probably will not have the same interest in these young chaps coming along playing hockey and taking part in sports that many fathers necessarily must have.

Mr. SINCLAIR (Vancouver North): It was a good game Saturday.

Mr. CRUICKSHANK: How are the broomsticks out there?

Mr. ROSS (Souris): The operation of these controls is greatly responsible for the necessity of the heavy taxation of the past few years and of the present. This in turn affects the pockets of the average taxpayer in all sections of Canada. I do not think there is any argument about that. As a result, production of many essential goods has been slowed up in Canada. The cost of living index for Canada, as of December 1946, shows an increase of twenty-seven per cent since 1939. Ask any housewife in Canada if she believes that figure. Also ask her about the quality of material in the goods of 1939 as compared with the quality today. I am not arguing that every housewife in Canada desires to get rid of all these controls.

Mr. CRUICKSHANK: No; you bet you are not.

Mr. ROSS (Souris): But anyone I have yet discussed the question with says that it is just a matter of timing and that they would have been better off without many of the controls.

Mr. CRUICKSHANK: The hon. member has been talking just to hockey players.

Mr. ROSS (Souris): I have talked to some of those good officials of the United church that the hon. member for Fraser Valley (Mr. Cruickshank) referred to the other evening.

Mr. CRUICKSHANK: Name one who says he wants to have controls removed.

Mr. ROSS (Souris): A good many blame the present shortage of materials on the operation of these controls over the past few years.

Mr. CRUICKSHANK: Name one who wants them removed.

Mr. ROSS (Souris): And if there happens to be one, two, or three of those controls which cannot be eliminated, it is because of the muddle and jam we find ourselves in today as a result of controls during the last few years.

Mr. CRUICKSHANK: Brooms and hockey sticks. The hon. member for Souris said that he would answer a question.

Mr. ROSS (Souris): Yes.

Mr. CRUICKSHANK: I wish to ask a couple. I am sorry if I interrupted the hon. member, but he did not hesitate to interrupt me the other night. But I can take it and apparently he cannot. I should like to ask the hon. member for Souris two questions. What is the difference in the cost of living—I am glad my hon. friend behind the hon. member for Souris told him to be careful.

Mr. ROSS (Souris): He did not. He was trying to get me to join the Anglican church.

Mr. CRUICKSHANK: All right. Bring in the rest of your party and I will take them on. The question I wish to ask is this: What is the difference between the cost of living in the United States, including the cost of dairy feed, and the cost of living in Canada? Can the hon. member answer that?

Mr. ROSS (Souris): I said that I have not the figure; and I said I did not believe the figure we have for the index in Canada gave a true picture.

Mr. CRUICKSHANK: You bet you cannot give the figure. I wish to ask another question.

Mr. ROSS (Souris): Mr. Speaker—

Mr. CRUICKSHANK: The hon. member said he would answer a question.

An hon. MEMBER: He did.

Mr. CRUICKSHANK: I have another question.

Mr. ROSS (Souris): All right; ask it.

Mr. CRUICKSHANK: Will you answer it?

Mr. ROSS (Souris): I will try.

Mr. CRUICKSHANK: Mr. Speaker, he said he would answer it.

Mr. ROSS (Souris): If I can.

Mr. CRUICKSHANK: I will ask him to answer this question, if he can, which I doubt very much. I do not come from a wheat district—

An hon. MEMBER: Don't get mad, George.

Mr. CRUICKSHANK: I am not getting mad. You never saw me mad. Could we sell Canadian wheat in the United States at the price quoted by the hon. member for Souris, if it was permitted?

Mr. ROSS (Souris): We had no desire to sell wheat in the United States, but we can sell it for practically one dollar a bushel higher than the figure I gave in the United States, in many other overseas countries today. If the hon. member will consult the Minister of Agriculture and the Minister of Trade and Commerce (Mr. MacKinnon), they will tell him that in recent months, they refused a deal of some millions of bushels with other countries.

Mr. CRUICKSHANK: The hon. member did not answer my question.

Mr. SPEAKER: Order.

Mr. CRUICKSHANK: Oh, let it go. They are afraid.

Mr. J. W. BURTON (Humboldt): Mr. Speaker, I regret that I interrupted the cross-fire that was going on. I can assure you that I enjoyed it as much as other hon. members did.

Mr. CRUICKSHANK: Are you on my side?

Mr. BURTON: If the hon. member waits until we are through, he will be more pleased than ever. I would also say that the hon. member for Souris (Mr. Ross) presented his case in an able manner; and while I cannot agree with him in his line or argument, at the same time I believe that both he and I have something very much in common, namely, that we both consider this to be a much too serious business for us to enter into the frivolous side, as we sometimes do. I can assure you, sir, that, like the hon. member for Souris, I shall not endeavour to emulate the hon. member for Edmonton East (Mr. Ashby).

The question before us is one of great concern to all the citizens of this country. In my humble opinion, this house and the country are divided into three camps. One is a small but sometimes very vocal minority, speaking for a small minority in the country, which would do away with controls willy-nilly, so that those who would fatten on the necessities of the people would have their way. The other group, as I see it, is represented in this house by a small number, also representing possibly the same proportion out in the country, who would like to do away with controls. In fact, they are anxious to decontrol as fast as possible, but having taken hold of the tail of that pussycat they do not like to let it go or possibly are alarmed at the consequences if they did let go. In the third camp that I mentioned are members of this group. While we are in a small number in this house, I believe that we are speaking for the large majority of the people out in the country, the citizens who are vitally affected by this question of control or decontrol. We believe that we are speaking for them when we say we need these controls just as much to win the peace as we needed them to win the war. It is my humble opinion, Mr. Speaker, that had the government not undertaken the controls which they did undertake during the time of war, our road to victory would have been much more difficult, if not even impossible.

My leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) and other members of this group have since this debate began, placed on the record in an able manner the stand we take, and it is not my intention to belabour the point much more this evening. In fact, I can assure you, sir, that it had not been my intention to take part in this debate at all until a certain question was brought into it by the hon. member for Trinity (Mr. Skey). In my opinion, it was ill-advised on his part, and, if not irresponsible at least misleading, when he made a statement that no sincere Catholic could be a true socialist. He gave only part of the story. He took only one short sentence out of the paragraph. I know where he took it from. It is in the encyclical quadragesimo anno by the late Pope Pius XI, from which the hon. member for Trinity took that one small sentence:

> No one can, at the same time, be a sincere Catholic and a true socialist.

I am sorry the hon. member is not in his seat at the moment, because in the short time at my disposal this evening I hope we may have this question straightened out once and for all. I assure you, Mr. Speaker, that it is with the utmost regret I find it necessary to enter into a discussion of this kind. Had the hon. member read at least the whole paragraph, the story would have been quite different. The heading is, "Catholic and socialist are contradictory terms". The late pope said this:

> If, like all errors, socialism contains a certain element of truth (and this the Sovereign Pontiffs have never denied), it is nevertheless founded upon a doctrine of human society

peculiarly its own, which is opposed to true Christianity, "Religious socialism," "Christian socialism," are expressions implying a contradiction in terms.

I would point out that when this was written the Conservatives had not yet established a contradiction in terms by adding to their name the word "Progressive". Times are changing. I would say that the church to which I belong condemns in no uncertain terms the type of socialism that interferes with a person's religious beliefs, which is opposed to Christianity and totally opposed to the ownership of private property; and that is the only kind of socialism the church recognizes as such. I would point out further for the benefit of the hon. member that as the years have gone by, we have had many different kinds of socialism throughout the world; and for want of a better term we have applied to the philosophy and principles of the C.C.F. the expression "socialist", because the fundamental principles of our policy are to build laws around the protection of society rather than the protection of capital. I would also point out to the hon. member if he were in his seat that I take my religious instruction from the authorities of the Roman Catholic church and do not need to go to Tory Toronto for it. Eight years ago, almost to the day, I had to rise in my place in the legislature of Saskatchewan and tell a Liberal of like mind that I did not need to take my religious instruction from the Liberal party. I never thought I would be called on to rise in my place in this august chamber and deal with a matter of this kind.

As I mentioned, there are different kinds of socialism. I am not attributing any motive to the hon. member for Trinity, but why did he bring this matter into this debate at this time? I know from experience that on different occasions people have tried to put me on what they called a spot by asking, "Are you a socialist? If so, you cannot be a member of the church to which you profess to belong." I say that politics in this country have reached a very low level if we must put up with that kind of thing. Those people should stop and consider how unfair they are. For instance, if I were to ask the genial and honourable Minister of National Revenue (Mr. McCann) "Are you a Christian?" his answer certainly would be, "By all means." Would I then be justified in saying, "Oh, but you are a member of the Salvation Army"? Or if I were to ask the hon. member for Trinity, "Are you a Christian?" he would certainly and quite properly answer, "Yes, by all means." Would I then be justified in saying, "Oh, but you are one of Jehovah's Witnesses"? I ask for a little fairness in these things. Ever since I have been around in the world I have adhered to the teaching of my father, which was, "Let every man practise his religion according to the dictates of his conscience."

I said a while ago I wanted to get the record straight. I have another quotation from the same encyclical from which the hon. member for Trinity took one small sentence. Here is a paragraph entitled, "Domination has followed from free competition." It goes on:

> In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.
>
> This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the lifeblood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so that no one dare breathe against their will.

Mr. KNOWLES: The hon. member did not read that part.

Mr. BURTON: Quite right; the hon. member did not read that part. I would also ask what party in this house has gone farther than the party to which the hon. member belongs in helping to foster those very conditions that are being spoken of. There is a further quotation in the same encyclical that I should like to read:

> . . . for it is rightly contended that certain forms of property must be reserved to the state, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large.

I contend that if we gave full sway to those interests which are so determined to have decontrol, to have everything thrown back into the hands of those who would use the power of their economic dictatorship, it is those people who would bring about an undesirable form of socialism or communism in this country, rather than the C.C.F. or any other group.

May I give one final quotation from an address entitled, "The Catholic Church and the C.C.F.," delivered on the trans-Canada Catholic broadcast, October 24, 1943, by Reverend C. J. Foran, D.D., St. Anthony's Pro-Cathedral, Edmonton, Alberta, in which he said:

> Catholic social teaching will permit the nationalization of industries and facilities which must be nationalized to protect or ensure the common good. Thus far we can certainly go. The Co-operative Commonwealth Federation advocates

the socialization of banking, transportation, communications, electric power and all other industries and services essential to social planning. Among the industries listed as essential to social planning the C.C.F. manifesto included mining, pulp and paper and the distribution of milk, coal and gasoline.

I wish the hon. member for Trinity to pay special attention to this:

The statement issued by the bishops of Canada after their recent conference in Quebec indicates that the gap between the Catholic position which allows for the nationalization of industries that need to be nationalized to protect the common good and the programme of those who call for the socialization of such industries as mining, pulp and paper and the distribution of milk, coal and gasoline—that gap can be bridged with safety.

Again let me express my hope that never again will a member in this august chamber, be he Jew, Gentile, Protestant or Catholic, find it necessary to defend his being in this party or that party because he belongs to a different religious sect or community.

I would say to the house that in our humble way we realize that we are only human beings. As human beings we have our faults and failings. As a human organization the party to which I have the honour to belong also has its shortcomings. But even so has the House of Commons its shortcomings, simply because it is a human institution. And so long as we bear in mind the ultimate end for which our Creator created us, and the destiny toward which we are all working, I hope that we may humbly walk in that way.

Mr. H. O. WHITE (Middlesex East): Mr. Speaker, in rising to take part in this debate, I have but a few observations to make, and I should like to deal with them as they affect the riding I have the honour to represent.

I wish, first, to deal with butter, and the price control of that product. The ultimate result is, of course, a reduction in production. Along with that comes the threat of oleomargarine. It is a threat to the dairy farmers of Canada. May I observe right here that if it is proper to protect industry and to protect labour, it is equally proper to protect the farmer from the importation of this product of cheap labour.

Another indication of the threat to farmers lies in the importation of New Zealand butter. In an order for return tabled some time ago, it was shown that the farmers of New Zealand were receiving 28·35 cents a pound for butter. I would ask the socialists to my left to explain how the farmers in New Zealand can be prosperous when selling butter at that price.

Another factor which enters into the picture lies in the fact that we spent $24 million a year on butter subsidies. During the war years we were told that we paid only half of our expenditures in this direction, the remainder being borrowed. In other words, $12 million a year that was spent on butter subsidies is still to be paid. Our children's children will be paying for butter, milk and other subsidized foods consumed during the war years. I do not believe they will find it as easy to pay as we would have found it.

People have money to buy luxuries. They buy drinks of all kinds, and yet they want to have their milk subsidized. In this connection, may I make a few comparisons. On February 12, while butter was selling at forty-four cents a pound, Mr. Coulter, a general merchant in my home town, gave me figures showing that the price of lard was twenty-seven cents a pound; shortening, thirty cents, Mazola oil, thirty-seven cents, and Lux soap flakes, thirty-two cents. No one complained about those prices, but they did complain about increases in the price of butter. It is easy to bear down on the farmer who did not object to these things being done in the city, where no objection was made to increases in the price of manufactured products. But the little increases paid on farm products—oh, they were terrible!

The milk subsidies alone amount to about one-half the money paid out in family allowances. But people did not want to use family allowances to buy milk; they wanted those moneys for other luxuries, while at the same time subsidizing milk consumption.

At this time I should like to say a word or two about steel and hardware controls. Certainly they are working to a disadvantage, so far as the farmers in Middlesex county are concerned. Ilderton farmers cooperative say that lumber has never been so scarce. Farmers needing lumber for repairs have found it impossible to obtain it. Letters from Thorndale, Hyde Park, Dorchester and Glanworth complain of shortages. Small villages and towns in my community say that farmers are asked to produce in quantity and to maintain quality, while at the same time accepting immigrant labour. And what do they get for it? They get no nails, no lumber, no steel, no wire and no roofing.

A recent fire destroyed a service garage in the town of Lambeth. I was approached to have some steel made available so that quick repairs could be made in order to enable the proprietor to continue to give service to farm tractors, cars and trucks in the community. The steel controller advised me that there was no steel control, and that if I could obtain it from the manufacturer it would be all right. I approached a certain manufacturer and he

said, "Yes, you can have the steel." But about the time it was to be delivered someone said, "No, you cannot have it." And there is no roof on that garage yet.

Recently the Minister of Reconstruction and Supply (Mr. Howe) stated there was no shortage of nails. After he was questioned, it developed that those nails were of aluminum. They were about three times the regular price, and certainly were not suitable for farm repairs since, in many instances, hard lumber is used in farm equipment and construction.

Hyde Park reports that there are no nails in the stores in that area, and none in sight at the wholesalers. Dorchester reports a very short supply of nails, and not enough spikes in town to build a hog trough. There are no steel troughs. Farm buildings are in need of repair. There are no nails, and there is no lumber or roofing.

From Glanworth one dealer says that he had only one keg of nails in six months, no wire of any kind for a year. Another report indicates that from June, 1946, to January, 1947, there were three kegs of nails, but wire and many sizes of nails were unobtainable. Poultry fencing, hooks and staples were unobtainable. Roofing paper and tar paper were very scarce, while harvesting tools, forks and repairs, as well as other kinds of hardware, were almost unobtainable.

It is true, too, that good, decent farm overalls cannot be obtained. Let me say a word or two about barbed wire. On March 20, I had on the order paper a question to which a reply was given. Among other things I inquired about the kind and tonnage of steel that was used, and how much was saved in changing over from heavy gauge to the lighter war-time gauge. I shall read the paragraph which deals with that particularly:

> Based on the 1939 to 1941 average, the consumption of steel for the years 1942 to 1945 inclusive would have amounted to 71,224 net tons. Actually 58,829 net tons were used during this period for the production of barbed wire, therefore, a total of 12,395 net tons were made available for more essential products.

I submit that not only the amount they mention as being saved, but the whole 58,829 tons of steel was wasted. Farmers who bought that wire and put it up a year ago have not a decent fence today. The whole business was wasted. They might better have made a few rolls of good barbed wire and let the rest go, because, as it is, these farmers have spent the money and they have nothing to show for it. It is about time the manufacturers started to make some decent wire for the farmers.

83166—109½

I wish to say a word or two about rent controls. Rent controls have developed a lot of injustices and many crooked practices. I have in mind two houses in my own riding in east London. These houses are not more than two hundred yards apart and are identical in construction and size. One house rents for $23 a month, but the man who owns it cannot get into it. He rents two rooms in an identical house a short distance away, for which he pays $36 a month for the two rooms. These houses are of practically the same value. If there is any justice in that I should like to know about it.

The reason so many people are anxious to retain rent controls is that they have a minority group over a barrel and at a disadvantage. If it were not for that they would not want these controls. The same applies to food controls. The farmers are getting tired of feeding the world and getting the lowest labour return of any class in the country, while having to work longer hours than anyone else. Along with this, they are being denied the goods they need to maintain their farms and homes.

On motion of Mr. White (Middlesex East) the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 10.55 p.m.

Tuesday, March 25, 1947

The house met at three o'clock.

PRIVILEGE

MR. COLDWELL—REFERENCE TO REMARKS IN DEBATE ON MARCH 24

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I wish to rise to a question of privilege. Last evening the hon. member for Souris (Mr. Ross) said, as reported at page 1696 of *Hansard:*

> In the House of Commons on June 5, 1940, as reported at page 545 of *Hansard*, during the discussion on the unemployment relief and agricultural distress measure at that time, the hon. member—

Meaning myself.

> —said:
>
> "The secret of the recent success of the Germans is the fact that they have consciously planned their economic structure."

My colleague, the hon. member for Mackenzie (Mr. Nicholson), interjected:

Read it all.

The hon. member for Souris replied:

I have not time to read the whole speech.

Mr. Speaker, had the hon. gentleman read the sentence which followed, the purpose of his quotation would have been destroyed. The next sentence read:

> True, they have planned with diabolical intent, but they have planned with an end in view.

And the next sentence:

> We have failed to make any plans or to give any direction to our economic system for the worthy purposes for which we ought to have been planning in the past.

My point of privilege is, therefore, Mr. Speaker, that what I had said was misrepresented by quoting a sentence out of its context.

ELDORADO GOLD MINES

TABLING OF CORRESPONDENCE

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I was asked by the hon. member for Lake Centre (Mr. Diefenbaker) to table correspondence bearing on the case of the King *v.* Carl French, Marcel Pochon and Boris Pregel. I now table copy of a letter dated March 5 from John Robinette to the deputy minister of justice, copy of a letter dated March 7, from the deputy minister of justice to John Robinette, and also copy of a letter dated March 11 from John Robinette to the Hon. Leslie Blackwell, K.C., attorney-general for Ontario.

INDIAN AFFAIRS

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

> That the name of Mr. Stirling be substituted for that of Mr. Church on the special committee to revise the Indian Act.

Motion agreed to.

EMERGENCY POWERS

CONTINUATION UNTIL MAY 15, 1947—ORDER IN COUNCIL TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the address to His Excellency the Governor General which this house recently passed with respect to the extension of the time of application of the National Emergency Transitional Powers Act was presented to His Excellency this morning by the Hon. the Speaker of this house. A similar address was presented to His Excellency by the Speaker of the Senate. The act provides, as hon. members will recall, that after addresses have been presented the governor in council should order that the act shall continue in force for a further period. I have in my hand a copy of the order in council which was passed subsequently to the presentation of the addresses this morning and which orders that the National Emergency Transitional Powers Act, 1945, shall continue until the fifteenth day of May, 1947. I would ask leave of the house to table the order.

HOUSING

RENTAL HOUSING PROJECT—NEW PROVISIONS RESPECTING DEPRECIATION, AMORTIZATION, ETC.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, during my remarks in this house on February 7 I stated that the government would shortly take steps to increase the supply of privately-owned rental housing. At that time, I outlined three proposed incentives: (1) allowance of double depreciation for new rental housing units; (2) a longer period of amortization under the National Housing Act for loans on approved types of rental housing; and (3) extension of priorities for materials to assist in the construction of approved rental housing.

As I mentioned in February, our supply of new rental housing is proportionately too low and there is a great need in the country today for this type of dwelling. Perhaps the principal reason for the reluctance of private owners to enter this field is their belief that present capitalized costs may be high in relation to stabilized rents.

To stimulate an additional supply of rental housing, I now table order in council P.C. 1095 which provides for depreciation at double the rates normally allowed in respect to rental housing projects and equipment installed therein, built or acquired in a fixed period.

As hon. members know, the owner of a rental property, on filing income tax returns, is allowed as a deduction from the property value depreciation for buildings at standard rates which vary from two or five per cent, depending on the type of structure. In the case of equipment, these standard rates vary from five to ten per cent. The order in council I have just tabled has the effect of doubling these rates for a period of ten years when applied to projects consisting of four or more family dwelling units which meet the requirements set out in the order. This incentive will apply only to the types of rental housing approved by Central Mortgage and Housing Corporation. Basic qualifications include rentals under $70 a month, based on a standard four-room unit; veterans' preference for occupancy of completed units; and an average of at least 1·75 bedrooms per unit.

The order provides that:

Any project wholly constructed between March 31, 1947, and December 31, 1949, will be allowed double depreciation on the full cost of construction.

Any project under construction on March 31, 1947, will be allowed double depreciation on costs incurred after that date.

Any project not completed by December 31, 1949, will be allowed double depreciation only on costs incurred prior to that date.

While I do not wish to discuss the order in detail at this time, I would point out to hon. members that provision is made for an extra principal payment by the owner of a rental property where the project is financed by mortgage. The extra principal payment required amounts to one-third of the allowable extra depreciation.

Hon. members may also be wondering why the effective date has been advanced to March 31. Under the order, the owner of a project at present under way who proposes to apply for double depreciation must obtain from a qualified architect or engineer a certificate of costs of the project at that date. The advanced date will allow him time to do so.

To determine whether or not a rental housing project qualifies for double depreciation under the provisions of this order, a builder will be required to complete and file an application with a regional or branch office of Central Mortgage and Housing Corporation. Full information may also be obtained from these offices, which are located in principal cities throughout the country. If a project is found to qualify, the corporation will issue a certificate of entitlement.

Increased amortization. The second point I mentioned at the beginning of my remarks was an extended period of amortization. We will introduce shortly legislation under the National Housing Act to increase to thirty years the period of amortization for this type of rental housing.

Priorities. As a third stimulation, priorities for building materials will be granted for rental housing projects which meet the same requirements as those set out in the order respecting double depreciation. While I am on the subject, I wish to take this opportunity to reaffirm the government's position with respect to priorities. During the past few weeks, it has come to my attention that certain groups are apparently anticipating a relaxation of the priorities policy. I wish to state emphatically that the government does not now propose to revise the present system, which is based on a veterans' preference and some control over the end sales price or rent to be charged for housing units.

So that there can be no misunderstanding or confusion, I list again the housing categories entitled to priorities on materials:

1. The house of any individual veteran of world war II where the house is fifty per cent completed, which generally means roofed and closed in.

2. All government and government-sponsored housing carrying the veterans' preference, such as that built under the integrated housing plan, Veterans Land Act, and emergency shelter order and by Wartime Housing Limited and Housing Enterprises of Canada, Limited.

3. Housing in remote areas built by basic industries such as lumbering, logging, mining and fishing companies, for which the rentals or sale prices of the units are approved by Central Mortgage and Housing Corporation and where an undertaking is given by the company that fifty per cent of the units will be occupied by veterans of world war II.

4. Rental housing projects, as I already stated, which meet the same requirements as those set out in the order I have tabled today respecting double depreciation.

Mr. FLEMING: I should like to ask the minister for clarification of the first part of his statement. As I understand it, the consideration which is being extended to those who will after March 31 build rental housing, applies only to those who will erect houses in groups of four units, or units which are themselves four-family units, but will not apply to those who are erecting smaller units for a lesser number of families.

Mr. HOWE: It applies to single houses, for rental, when built in groups of four or more. But if the owner is an occupant of the house, it must be a four-family house. In other words, it does not apply to a single duplex where the owner is also the occupant. If the owner is not an occupant it will apply to a double duplex, or any unit of four or more.

Mr. FLEMING: Otherwise if a person is not building a multiple family unit it does not apply. He would need to build a four-family house to come within the scope of the order.

Mr. HOWE: Yes.

Mr. FLEMING: What is the situation with respect to the construction of single family units?

Mr. HOWE: It will apply to single family units in groups of four or more.

Mr. KNOWLES: The minister made it quite clear.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 72, to incorporate conference of Mennonites in Canada.—Mr. Tucker.

Bill No. 73, respecting the Toronto, Hamilton and Buffalo Railway Company.—Mr. Cleaver.

VETERANS AFFAIRS

EMPLOYMENT OF VETERANS ON NATIONAL DEFENCE RECORDS

On the orders of the day:

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): On March 21, the hon. member for Nanaimo (Mr. Pearkes) asked a question about the transfer of records from the Department of National Defence to the Department of Veterans Affairs. I can assure him now that the matter is not only being considered but is being actively explored, and I hope to be able to give further information in the very near future.

PRESIDENT TRUMAN

PRESS REPORT OF PROSPECTIVE VISIT TO CANADA

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Prime Minister. About a week or so ago I spoke privately to the Prime Minister about President Truman's proposed visit to Canada. At that time the Prime Minister indicated that there was no official information available. I noticed a report in the press, which I think all Canadians will hail with delight, referring to the prospective visit of the president of the friendly republic to the south. Can the Prime Minister give us some details of the visit or some official imprimatur with respect to the news which is in the papers this morning?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The reports which appeared in the press this morning are evidently based on a statement made yesterday by the president to a press conference at Washington. Nothing that I am aware of has been given out officially by anyone in Canada. As I mentioned to my hon. friend the other day, conferences respecting President Truman's visit to Canada have been taking place between the two countries, but no definite date has yet been fixed. The expectation is that the president's visit will take place early in June, but there has been no final word given by the president as yet. Just as soon as the visit has been officially arranged an announcement will be made if possible in this house in the first instance. I was as much surprised as my hon. friend when I read as much as I did in the press this morning, but an official statement is still to be given out both in Washington and here as to the date and programme of the visit.

EXTERNAL AFFAIRS

INQUIRY AS TO FILLING OF DIPLOMATIC POSITIONS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I wish to direct a question to the Secretary of State for External Affairs. Is it the intention of the government to make an announcement as to the filling of the senior diplomatic positions in Mexico and Australia?

Right Hon. L. S. St. LAURENT (Secretary of State for External Affairs): As hon. members know, appointments to these posts require formalities which must be fulfilled not only by the Canadian government but by others as well. These formalities are being dealt with and I think that they will be completed so that an announcement can be made on Thursday.

WAR SAVINGS CERTIFICATES

QUESTION AS TO PAYMENT BY CHARTERED BANKS

On the orders of the day:

Hon. DOUGLAS ABBOTT (Minister of Finance): On Friday last the hon. member for Peterborough West asked whether war savings certificates when due would be cashed by the chartered banks.

In reply I might first point out that war savings certificates are by their terms redeemable only at the office of the registrar of war savings certificates, Bank of Canada, Ottawa. In view of the large number of certificates outstanding and their small denominations, very careful consideration has been given to the question whether it would be possible to make satisfactory arrangements to have them redeemable elsewhere than at the Bank of Canada. However a substantial number, some 62,000, duplicate certificates have been issued under regulations approved by the governor in council, without the furnishing of any bond of indemnity. In addition further duplicate certificates will, of course, be issued in the normal course of events. So far it has not been possible to work out adequate safeguards to prevent the redemption in such cases of both original

and duplicate certificates, if redemption elsewhere than at the Bank of Canada were permitted. However, continuing consideration will be given to the problem.

INTERNATIONAL TRADE

BRITISH PREFERENTIAL TARIFF—STATEMENT OF SIR STAFFORD CRIPPS IN BRITISH HOUSE

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I should like to address a question to the Minister of Trade and Commerce. In view of the fact that he has not my question in front of him, an answer tomorrow or the day after will be satisfactory. In the House of Commons in England yesterday Sir Stafford Cripps made a statement with regard to a delegation looking after British interests at the international trade organization wherein certain principles were laid down, I suppose to help guide this delegation. Will the minister examine the statement made by Sir Stafford Cripps and, if within government policy, make to this house a preliminary statement or a statement similar to the one made by him on preferences.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am not just sure whether the questions should be addressed to me or to my colleague the Secretary of State for External Affairs (Mr. St. Laurent). In any event, the questions will be taken into consideration and a reply given.

Mr. HARRIS (Danforth): The statement was made in the British house in regard to British industries, trade and commerce. I understand the minister took cognizance of it, particularly when the charter for world trade was published some months ago.

PRINCE EDWARD ISLAND

CAR FERRY "ABEGWEIT"—PROGRESS OF CONSTRUCTION

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): As you announced on Friday last, Mr. Speaker, that spring is here, I should like to direct a question to the Minister of Transport. What is the latest report, if he has one, concerning the progress of construction of the S.S. *Abegweit?*

Hon. LIONEL CHEVRIER (Minister of Transport): I can tell the hon. gentleman that progress on the *Abegweit* is exceedingly favourable. As I have told him once before, we hope to have it ready for operation within the next few months.

MILITIA ACT

AMENDMENTS TO FACILITATE CANADIAN ARMY REORGANIZATION—CONCURRENCE IN SENATE AMENDMENTS

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved the second reading of and concurrence in amendments made by the senate to Bill No. 14, to amend the Militia Act.

Mr. PEARKES: Is the minister going to make a statement?

Mr. HUGUES LAPOINTE (Parliamentary Assistant to the Minister of National Defence): In the absence of the Minister of National Defence (Mr. Claxton) may I be permitted to give a few words of explanation? The proposed amendments refer to sections 15 and 32 of Bill No. 14 as passed in this house last February. Section 15 of the bill amended section 46 of the Militia Act. It referred to certain restrictions on the wearing of uniforms. The proposed amendment does substantially the same thing but it is reworded to make it clearer and less ambiguous.

Section 32, which amended section 139 of the Militia Act, refers to the power given to the governor general in council to empower the minister to make certain regulations. When this section was studied by the senate the remark was made that the amendment as worded implied that it was rather the exception than the rule for the governor general in council to make regulations. It was pointed out that the paramount authority in the act was for the governor general in council to make regulations, and any exception to that rule would be by the governor general in council empowering the minister to do so. Consequently the section was redrafted to make this implication clear.

Mr. G. R. PEARKES (Nanaimo): I am afraid I cannot agree with the parliamentary assistant to the Minister of National Defence that the senate amendment makes clearer the amendment to section 46 as passed in this house. I suggest that the amendment now under consideration changes the meaning of the amendment adopted in this house; it does not merely change the words. The words of bill 14 amending old section 46 of the act read:

No unit—

By "unit" I understand is meant an organized body of troops.

No unit or man, other than a unit or man of the active force or a warrant officer shall at any time appear in uniform or armed or accoutred, except . . .

Then it gives certain exceptions. The amendment suggested by the other place reads:

No unit warrant officer or man other than a unit warrant officer or man of the active force shall at any time appear in uniform or armed or accoutred, except . . .

The essential difference is that the privilege which has always been granted to a warrant officer to appear in uniform on the streets, or to attend any function in uniform without having to go to his commanding officer and get his consent, is now removed by this amendment which has been suggested by the other place. I suggest that it is not of national importance but it is a prerogative and a privilege which has been enjoyed for many years by senior warrant officers who served in the old non-permanent militia, which is today known as the reserve army.

When our amendment to the old act was introduced it seemed to me that care was taken that that privilege should be continued. In this proposed amendment the warrant officer, who up to the present has had the same privileges so far as the wearing of uniform is concerned as the commissioned officer, is having these privileges taken away from him. I do not know what the procedure is, but I do suggest that this amendment, as it changes the meaning of our bill, should be referred back to the other place, or that a further discussion should be had, or some other means taken to rectify the matter. As I say, it is not a matter of vital national importance, but it is a privilege which has been cherished by those people in the reserve army, in the non-permanent militia, who have voluntarily given up their time. Sometimes these niceties of the services are highly appreciated, and it will be resented if they are taken away without just cause.

There are some other comments that I should like to make regarding this suggested amendment. It uses the words, "no unit warrant officer." Well, of course, all warrant officers are not on the strength of a unit, and it would seem to me this gives a warrant officer who is not on the strength of a unit the right to wear uniform at the same time as officers without having to apply to the commanding officer, but denies this privilege to the warrant officer who is serving with a unit. I do not believe the other place intended to make these alterations, and if it can be referred back perhaps the Minister of National Defence (Mr. Claxton) can adjust it with the movers of the amendment.

Mr. CRUICKSHANK: I should like to direct a question to the parliamentary assistant. As I understand it, this amendment comes directly from the other place. Is that so?

Mr. LAPOINTE: Yes.

Mr. CRUICKSHANK: Then I am against it. Send it back whence it came.

Mr. MACKENZIE: In view of the divergency of opinion I suggest that this motion stand for the time being.

On motion of Mr. Pearkes the debate was adjourned.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, March 24, consideration of the motion of Mr. Ilsley that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I wish to make one observation. It will be so short that hon. members on the other side will be glad to hear it. There has been over the last few days a good deal of discussion with respect to this legislation. Perhaps some issues may have become clarified and others not. Perhaps some new issues have been brought in. I should like it made clear to the house and country that in this regard I speak on behalf of the Progressive Conservative party as a whole, and I repeat what was stated by the leader of the opposition (Mr. Bracken) at the beginning of the debate. It is only proper and fitting that at this stage we should indicate again the position this party took, namely that we were prepared to allow the resolution to go through and would not on the resolution stage take our stand with respect to the principle of the bill to follow. Rather it was stated that we were prepared to allow the resolution to pass; and it was understood that while in committee of the whole we would seek from the government the information we needed respecting the stand we would take subsequently on the bill itself.

There were however a number of things which intervened, with the result that many

hon. members made speeches. We are now in the same position as that which we occupied at that time. I say to you, Mr. Speaker, and to the house, that we reserve now, as we did then, the right either to support or to oppose the bill on second reading, after the information we shall seek in committee stage has been given to us by the government. The whole debate, from our point of view, will of course be relegated to the motion for second reading of the bill. On that basis, and strictly without prejudice to our rights as a party to take such stand as we may think is proper and desirable or in the public interest, we are now prepared to allow the resolution to pass.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Chairman, I wish to say a few words on this resolution. The time has come for this country to get rid of dictatorial powers which no longer have any justification. There is a limit to unwarranted emergency measures. The war has been over for almost two years. The government mobilized all our resources to crush dictatorship. But they are asking us now to surrender our prerogatives as representatives of the people to an irresponsible bureaucracy. This army of officials has taken the place of parliament much too long. All civil servants, clerks and employees look down patronizingly on those whose mandate they have usurped. The people are surfeited with this bureaucracy which has implanted in Canada a loathsome form of dictatorship. We owe nothing to all these boards, save inflation and the black market. In a country like ours, so rich in natural resources, there is no ground for imposing rations conducive to hoarding, simulation and fraud.

I have had many an opportunity, in my professional capacity, of representing persons amenable to a court which had been prosecuted by the wartime prices and trade board. Invariably, the seller only was summoned. The buyer, who had also broken the law, always got off scot-free. No action was brought against him. Such justice is not worthy of the name. I have heard some magistrates denounce, with reason, the procedure followed by those bureaucrats who, daily, break our laws, both federal and provincial.

For too many years, under cover of the 'national emergency arising from the war" the most flagrant infractions of our federal and provincial laws have been perpetrated under the guise of controls. The astonishing statement of the Minister of Justice (Mr. Ilsley) bears me out. In the first place, he contended that even in peace time the dominion parliament may legislate in a field reserved to the provinces when it is necessary to do so in order to maintain peace, order and good government, etc. That is the pet phrase so dear to the hearts of those who have supported the extravagant expenditures made in war time. Were it only for that statement of the Minister of Justice I would have a thousand reasons to reject his resolution. I cannot have any faith in the man who unscrupulously builds up a bureaucracy upon the ruins of parliamentary prerogatives. I respect the views expressed by the Minister of Justice, but I cannot conceive how anyone can make such a statement of policy eighty years after confederation.

For years the dominion government has striven unceasingly to assimilate and centralize. Taking advantage of the word "war," it launched into the great adventure and never returned. This is proved by the fact that we are still squatting under the Moscow conference table. Denied a part in the conference of the Big Four, it is forced to while away its time cultivating socialism and consolidating an already flourishing bureaucracy. The same old reason will be used in justification of controls: "Inflation must be avoided." Come now, inflation is here despite all controls. Anyone buying property will have to pay four times the price of 1939 or 1940. Build your own home and it will cost you much more than a few years ago. Walk into your dealer's, your grocer's or any place of business, and you shall find that the price of commodities, of clothes for instance, has increased enormously. In the case of clothes and many other prime necessities, prices have gone up as high as 200 and 300 per cent. On top of this, consider the burdensome taxes that have to be paid especially by the small wage earner, and you shall have the sad picture of the pernicious results of controls and bureaucracy.

And now, with this resolution, the government would have parliament allow bureaucracy to carry on? For my part, I refuse any longer to surrender parliament's prerogatives to a bureaucracy that keeps exploiting the people under the cloak of ultra vires legislation brought in by a parliament which is giving up its mandate.

Under pretext of urgency, the government slash our statutes and constitution. Centralization and assimilation lead us directly to legislative union.

I represent a constituency which took up arms to fight the dictatorship of bureaucracy. More than a century has elapsed since this pathetic struggle. Canada has taken part in the two largest wars of history for the sake of the four freedoms as defined in the Atlan-

tic charter. In a helpless world, I seek in vain for even a shadow of these freedoms. What has become of all these loftiest ideologies which we have defended: Christianity, freedom, justice and right? In our own country, provincial rights granted by the constitution are infringed upon in the name of a so-called national emergency. Freedom, justice and right, for which our soldiers laid down their lives, have become idle words. Among those who lived through the struggle, how many are looking in vain for a shelter, while our building materials are being controlled or shipped outside the country? Such is, in all its ghastliness, the work of a bureaucracy unanswerable to the people. I shall fight this regime without let-up for it is a source of centralization and injustice on which the parliament elected by the people have no control whatever.

(Text):

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, while not an advocate of repetition I deem it my duty to express my views on this resolution. First of all I am in complete agreement with the stand taken by the hon. member for Rosetown-Biggar (Mr. Coldwell) on the first night of debate of this resolution. I think his exposition, argument and presentation were logical and strictly in accord with democratic socialism and given with a view to the requirements of the people of this country. I do not think there is any necessity at this time for me to attempt to repeat those arguments or the arguments that many other members have put forward in this debate.

I listened particularly with a great deal of interest to the speech of the hon. member for Quebec South (Mr. Power) and to his argument in opposition to this resolution. I must say that I have a great deal of respect for the attitude of men of the type of the member for Quebec South. He expressed the attitude of the classical Liberal, and I was very much interested in his remark that had he been in England recently he would have voted for the Labour government. That is significant. Of course he has full knowledge of the fact that the species he represents in Canada is almost extinct now in England but his statement was an indication of this fact, for which I give him credit, that all genuine Liberals when they have to choose between advancing democratic forces and conservatism will generally be found on the side of the progressive forces.

I have listened with a great deal of interest to the arguments, or, should I say, to the declamations of the members of the Progressive Conservative party. I think they are sincerely alarmed over the effects of this legislation so far as they are concerned and from their point of view. But honestly, Mr. Speaker, after listening carefully to the remarks of the Progressive Conservative party, I think that their arguments and attitude indicated an almost feminine excitability—

Mrs. STRUM: Libel, libel!

Mr. HERRIDGE: —over the possibility of a political mouse that does not exist. I would like to tell my hon. friends of the Progressive Conservative party that this resolution is not socialism or anything approaching socalism. It is a resolution brought forward by a democratic capitalist government in an effort to stabilize to some extent for a limited time the capitalist system, a system which can never be stabilized. But I give hon. gentlemen opposite credit; this is necessary legislation at this time.

Mr. MACDONNELL (Muskoka-Ontario): If my hon. friend will permit a question, while what he says is perfectly true as to the tenor of the resolution, does he not agree that the speech of the hon. member for Rosetown-Biggar did in fact broaden it out and change it so that in effect we were from that moment bound to discuss socialism, or at all events a very large instalment of it? That is the way I read his speech and the amendment, and our arguments should be considered in that light.

Mr. HERRIDGE: I can quite appreciate the hon. gentleman's position. As soon as I heard the hon. member for Rosetown-Biggar speak I was fully prepared for an epidemic of anti-socialist speeches. I think the hon. member for Rosetown-Biggar supports this legislation for two reasons. In the first place it is for the benefit at this time under these circumstances of the great majority of the Canadian people, and in the second place the socialists are given to thinking logically about economic questions, and this resolution from our point of view is logical in a concrete way. I just want to say again that I think our good friends in the Progressive Conservative ranks are too much disturbed over the possible socialist contents of this resolution and the legislation that will follow.

I want us to look at this resolution for a very few moments without prejudice, and from a non-partisan point of view, because I think the country is looking at it on the whole with a non-partisan view.

First of all, controls were definitely necessary during the war and were supported by the great majority of the Canadian people. There is no question about that. Secondly,

controls worked during the war to the great advantage of our war effort and without doubt proved our ability successfully to overcome the common enemy. My third point is this, that as the result of our war experience and as the result of what is happening in other countries, and no one can deny this, the great majority of the Canadian people, realizing the value of these controls during the critical war period and now, are expressing their support for a continuation of controls particularly while commodities are in short supply. I think that is generally recognized, and no one can deny it. The evidence is found in the stand taken by organized labour, by the organized farmers, by large groups of consumers, throughout the country, by church organizations and by many women's organizations. So far as my riding is concerned I know that when I stand here and support this resolution I am expressing the will and the opinion and the desire of the great majority of the people I have the honour to represent.

Mr. SINCLAIR (Vancouver North): And of British Columbia too.

Mr. HERRIDGE: I think that is correct. We all know the situation as it exists in Canada. Conditions in Canada are not by any means perfect, but if there is one thing to the great credit of the present government it is their operation of controls during the war years.

To the Progressive Conservatives I would say this. If they have read carefully British, Australian and New Zealand papers and the papers of the United States in past years, they will have found repeated references to the successful operaton of controls in Canada, made by the press not only of the Liberal party, of the Labour party and of the Socialist party, but of the Conservative party in all these countries.

I want to quote something which the bureau of agricultural economics in Washington reported recently. It reports that one dollar today will buy only as much food as 72 cents would have bought a year ago when price control was in effect in the United States. The bureau reports that between January 1946 and January 1947 retail food prices in the United States have risen as follows—and these are things that are vitally important to the people of this country: meats, 67 per cent; dairy products, 37 per cent; bakery and cereal products, 30 per cent; canned fruit and vegetables, 32 per cent.

In addition the National Retail Lumber Dealers Association of the United States from its executive offices in that country issued a statement to the effect that in their opinion home-building costs have increased 50 per cent in two years, and the United States section of Proctor and Gamble Company announce that tallow, a very important ingredient in soap, has climbed from 20 to 27½ cents per pound recently, and that is going to be reflected in the cost of soap to consumers. It would be possible to go on for hours giving illustrations of the value of controls in this country as against the situation that has existed in the United States since the forgoing there of price control.

I have heard it stated on many occasions and several times in this debate that controls will restrict production. I do not think that argument has any validity or is rooted in fact. One has only to examine the production figures of this country for the last two years, the balance sheets of all large industrial firms, or to read carefully the addresses made to the shareholders by the presidents of all the banks of Canada at their annual meetings, to realize that on the whole production never reached a greater height in Canadian history. I want to give one illustration of the absurd statements made at times by people occupying responsible executive positions in the industrial field. I have not one handy from a Canadian source, but I have one from an American source, and it is a gem, what you would call a beauty. I quote from an Associated Press dispatch from Philadelphia of a few days ago:

> J. Howard Pew, President of the Sun Oil Company, said today that until government wartime controls are ended "industry cannot function efficiently and effectively to serve the nation."

One can almost hear the voice of the hon. member for Eglinton (Mr. Fleming).

> He told stockholders in an annual report that Sun established new records in 1946 for crude oil production, refinery operation and marketing.

How can you place those two statements together?

That concludes my argument so far as this resolution is concerned. I support the principle of controls because experience has proved that controls are to the benefit of the great majority of the Canadian people and I have no fear of controls provided they are exercised as a result of action by this parliament.

Mr. E. G. HANSELL (Macleod): I wish to say just a few words in connection with this resolution, which is designed to extend some of the emergency powers in the hands of the government for the period of another year. The hon. member for Kootenay West (Mr. Herridge), who has just preceded me, has contended that these controls are necessary for

the reason that the country is in a state of short supply. I am not going to argue that point, but I would say that if the country is in a state of short supply there must have been a reason for it, and I contend that government policy during the time that we have granted to them the power to exercise control under the emergency powers act has been largely the reason that goods are in short supply.

The hon. member mentioned that production has increased, but it is a well known fact that the government of the day have been so—I was going to use the term hell-bent, but that might not be appropriate for me—so desirous and covetous of foreign markets that they have permitted much of our production to go out of the country and thus by control have controlled to the minimum point the consumption of Canadian goods in Canada.

Again we have our price control. I voted in the past for giving to the government emergency powers to combat inflation, and I am not going to say they have not done a fair job under existing conditions in combating serious inflation. But there is another thing. When goods are in short supply, even by reason of exports, then prices are bound to rise. I was not going to speak along that line, and perhaps those few remarks will serve more or less as an introduction.

What I am concerned about is the principle involved in this measure, which as I see it is fundamentally the principle of controls placed in the hands of government rather than, where it belongs, in the hands of parliament or the people.

The member for Cariboo (Mr. Irvine) yesterday spent some considerable time in emphasizing the necessity for governments to have power. He expressed no fear that the present Prime Minister would deliberately give away the powers of parliament to somebody else. Of course that statement was carefully worded. I personally do not express any fear that the present Prime Minister would deliberately and knowingly do any such thing. That is not what we are in danger of. The thing that we are in danger of is that power is to be taken from us by stealth; that is the principle that is involved, and one has to make a decision between governmental power and the power of our parliamentary institutions.

He expressed no fear that the Minister of Agriculture or even the leader of the official opposition would deliberately give away those powers, because, he went on to say, the people of Canada have the right and power to punish those who may be guilty of such abuse by discharging them. But the danger, Mr. Speaker, is that even though the power of the people at the present time can discharge any government—at any election they can put one government out and another party in—

An hon. MEMBER: Not under Social Credit.

Mr. HANSELL: I will come to that in a little while, and I am glad my hon. friend mentioned it. But I wish to warn that even the power of the people can be taken away by stealth, so that even the people themselves would become divested of the very power they now have to discharge a government. That is the thing that has happened already in socialist countries. I might refer to Germany, if you wish. Were not the people of Germany conscientious in voting for the nazi regime? Did they not say something similar? I have not read all the records of the debates in the reichstag but I can imagine some member there rising in his seat and saying, "I have no fear that the fuehrer will deliberately take away this and that power and hand it to someone else." I can imagine that happening.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but I do not want to create a precedent. The hon. member for Macleod adjourned the debate on March 20. If he will consult Beauchesne at page 762, he will see that having moved the adjournment of the debate, a member has spoken on the question, and having spoken on the question he cannot speak a second time.

Mr. HANSELL: I was not quite aware of that ruling, Mr. Speaker. Perhaps the ruling is correct. I am not arguing the point of order, but do I understand that because I adjourned the debate I cannot speak now?

Mr. SPEAKER: According to the rules, by reason of the fact that the hon. member adjourned the debate the other day he is considered as having spoken, and as he has not moved a substantive motion he cannot speak twice. Therefore he is out of order in speaking this afternoon.

Mr. GRAYDON: On a point of order, Mr. Speaker, if that is so your ruling is drawing things closely. I am not sure whether you were in the chair yesterday, or someone else, but the Minister of Finance was given the opportunity of making two speeches in this debate, and I think, in view of that, the member for Macleod ought to be allowed to speak, seeing that he only adjourned the debate.

Mr. SPEAKER: The hon. member for Macleod will understand that if I took the liberty of interrupting, it was because I did not want to make a precedent.

Mr. GRAYDON: You made one yesterday.

Mr. SPEAKER: The hon. member adjourned the debate on March 20 and the hon. member for Peace River (Mr. Low) spoke first on the next day in place of the member for Macleod. According to our rules, therefore, the hon. member for Macleod is considered as having spoken. He cannot speak this afternoon because by doing so he would be speaking twice in the debate on the measure which is before the house, and that is not permitted.

Mr. HANSELL: I appreciate the point of order, Mr. Speaker, and I am not discussing it. I must admit that I was ignorant of that particular point. I shall be pleased to forgo speaking now and to speak at some later stage in the debate.

Mr. H. E. BRUNELLE (Champlain): Mr. Speaker, because of the remarks made by the hon. member for Laval-Two Mountains (Mr. Lacombe), I think I must say a few words. Evidently the hon. member did not understand what the Minister of Justice (Mr. Ilsley) said yesterday, or else he was not in his seat when the Minister of Justice replied to a question put to him by the hon. member for Outremont (Mr. Rinfret). Evidently the Minister of Justice does not need to be defended by anybody. He can defend himself very well.

Mr. HOMUTH: He got himself into an awful mess, though.

Mr. BRUNELLE: I am sure, from what he said yesterday, that the Minister of Justice has no desire or disposition to bring to this house any legislation which would encroach upon the rights of the provinces, except for the peace, order and good government of this country pursuant to section 91 of the British North America Act. Some objection has been taken to this bill on the ground that it includes about fifty-seven orders in council relating to controls. For this I think the minister and the government deserve congratulations for trying to expedite matters in this house. At the beginning of this session I advocated a change in the rules of the house in order to shorten the debates. Up to the present time may I say that we have taken about two months to do what we could have done in about two or three weeks at most. Usually, after scores of speeches and amendments have been presented by opposition groups, the measures of the government are adopted exactly as they were moved. I again ask that we in this house do business in a businesslike manner. Personally I will take about ten minutes to express my views in this matter relating to controls.

May I say first that the hon. member for Quebec South (Mr. Power) objected to the procedure followed in this connection more than he objected to the substance of the bill itself. I repeat that the minister is to be congratulated upon bringing in this bill in the form in which he has brought it in. If he had done otherwise and had brought down fifty-seven different bills, it would have meant that if only fifty out of the 245 members of this house—and that is a conservative estimate—had spoken on each of those fifty-seven measures, there would have been about 2,850 speeches inflicted upon the house.

On this subject of controls, the government is taking, as usual, a moderate course. On the one hand, some of the Tories want to abolish all the controls immediately and suddenly, although, as they did on some other bills this session, they may finally vote for the bill. On the other hand, the C.C.F. want more controls than we already have. I reaffirm the view and suggestion that a practical procedure to follow in abolishing controls would be to set a date of expiration, to give it wide publicity and warn the public of such date of expiration so that no one would be taken by surprise when controls would come to an end. Everyone would then know definitely what to expect and would act accordingly.

Since the declaration made by the Minister of Justice last Thursday, we have had what we usually call a tempest in a teapot, highly activated by press and by radio reports. According to rumours, there was a fatal split in Liberal ranks; there was revolt among Liberal members; there was dissension between ministers of the crown.

Mr. HOMUTH: There was until the minister back-tracked.

An hon. MEMBER: Imagination!

Mr. BRUNELLE: And the fall of the government was fast approaching, et cetera, et cetera. May I say, Mr. Speaker, that all these rumours were just as silly as they were false. Here are the facts. The hon. member for Lake Centre (Mr. Diefenbaker) is really the cause of this misunderstanding.

Mr. HOMUTH: He is the cause of a great deal of dissension over there.

Mr. GAUTHIER (Portneuf): Order, order; be serious.

Mr. BRUNELLE: The hon member for Lake Centre may or may not have the confidence of the electors of my constituency, and I imagine he does not care, but I want my friends to know that he nevertheless started this difficulty in expressing the opinion that in the light of the Canada Temperance Act case, the dominion government need not allege emergency in order to legislate for the peace, order and good government of the country, even if that legislation would encroach upon provincial rights.

Mr. HOMUTH: And the minister swallowed it hook, line and sinker.

Mr. SPEAKER: Order, order.

Mr. BRUNELLE: I wonder if the hon. member for Waterloo South would mind not interrupting?

Mr. HOMUTH: I am just trying to help.

Mr. BRUNELLE: Thank the Lord I do not need the hon. member's help.

Mr. KNOWLES: The hon. member for Waterloo South lost his head yesterday.

Mr. BRUNELLE: I do not like what the hon. member for Waterloo South says, and I do not think anybody else in the house does. I do not like what he says and I do not like the way he says it.

The hon. member for Lake Centre also asked the Minister of Justice for the opinion of his law officers regarding the point I just mentioned. I wish to emphasize, that when this happened, we were not discussing this particular measure relating to controls at all. We were discussing Bill No. 25, an act for the sale and export of agricultural products.

Mr. DIEFENBAKER: Would the hon. member allow a question? As a lawyer, does he agree that the dominion parliament may, in reference to matters such as the sale of farm products and matters of trade and commerce, infringe upon the rights of the provinces under the peace, order and good government clause?

Mr. BRUNELLE: I do not agree at all.

Mr. DIEFENBAKER: I just wondered.

Mr. BRUNELLE: I do not agree at all, and that is not the question. I do not think the hon. member for Lake Centre, who is a very clever lawyer, will succeed in taking me out of the course which I intend to follow.

Mr. DIEFENBAKER: I am sorry; I did not mean to do that.

Mr. BRUNELLE: On Thursday, March 20, the Minister of Justice read an opinion of his department, which begins as follows, as reported on page 1553 of *Hansard:*

[Mr. Gauthier (Portneuf).]

Ottawa, March 20, 1947.

Memorandum for the Minister of Justice re Bill No. 25.

You asked for an opinion as the constitutional validity of the proposed agricultural products act now under consideration by the House of Commons.

Following this is the opinion of the law officer of the Department of Justice which gives quite a body of jurisprudence and discusses a few cases such as the Temperance Act case, the Fort Frances pulp and paper case, and the Manitoba *Free Press* case in relation to the Natural Products Marketing Act of 1934 and the act for the sale and export of agricultural products of 1947. The deputy minister said:

You asked for an opinion as to the constitutional validity of the proposed agricultural products act now under consideration by the House of Commons.

I am not going to quote all the discussion on which this advice was based. The advice concludes as follows:

For the reasons given it is my opinion that the bill is within the competence of parliament to enact.

The Minister of Justice then spoke as follows:

I do not think it is necessary to add anything to that opinion.

Therefore whatever was said by the minister on that occasion was simply what had been said by the law officer of his department and what had been said by the hon. member for Lake Centre (Mr. Diefenbaker) himself. I quote:

Yesterday the hon. member for Lake Centre put forward the view, not dogmatically but for the consideration of the government, that the doctrine of emergency no longer was valid as a basis for dominion jurisdiction.

It was not the minister who said that, it was the hon. member for Lake Centre. I continue with the quotation:

The hon. member for Lake Centre cited in support of the position the Canada Temperance Act case, and stated that that position had been taken by the editor of the *Fortnightly Law Journal,* and perhaps by others.

The minister continues:

Bearing in mind what I said in reply to the hon. member for Temiscouata, I am not going to venture into an opinion on the matter.

The minister made other remarks, all based on the opinion of the law officer of his department. That was not such an alarming declaration after all. In fact the Minister of Justice made no declaration on that day. He just followed what the law officer of his department had said. It will be easily seen therefore that there is no occasion or reason to think or

fear that this jurisprudence quoted in the legal opinion just referred to is to be implemented or translated into any definite or positive act or step or legislation whatsoever. The present measure relating to controls is not based on that legal point of view at all. The minister emphasized this point yesterday in reply to a question put to him by the hon. member for Outremont (Mr. Rinfret). I invite the hon. member for Laval-Two Mountains (Mr. Lacombe) to read that answer and try to understand it, and not repeat things that are false, not repeat rumours that have been published in newspapers and broadcast on the radio.

The present bill relating to controls is founded on section 91 of the British North America Act which authorizes parliament to make laws for the peace, order and good government of Canada in cases of emergency. Everyone admits that following the war we are still in a period of emergency.

In conclusion I wish to say that if I support the present measure for extension of controls it is with reluctance and only because I have the assurance that this measure is of a temporary nature and that it will be of short duration, and also because until their total disappearance control laws may be softened or amended so that the protection given to one group of citizens will not constitute an injustice to other groups.

Mr. LOW: I should like to raise a point of order. A few minutes ago when His Honour the Speaker was in the chair an incident took place which I should like to draw to your attention, Mr. Speaker, for a definite ruling. A note having been sent up to Mr. Speaker by the leader of the C.C.F. party calling attention to the fact that my colleague, the hon. member for Macleod (Mr. Hansell), had adjourned the debate on the evening of the twentieth, Mr. Speaker declared the hon. member for Macleod, who was addressing the house at the time, out of order. I should like to point out, sir, that the freedom of speech of hon. members is at stake in this decision. There is already in this very debate a precedent by which we can safely go. There is also a ruling—

Mr. DEPUTY SPEAKER: Order. I cannot change a ruling which has already been made by the Speaker. I understand he made a ruling and heard argument at that time.

Mr. LOW: There was no argument at the time.

Mr. DEPUTY SPEAKER: I understand there was some discussion and the Speaker did make a ruling which is not debatable and could have been appealed at that time. Therefore—

Mr. COLDWELL: May I say just a word? There was no—

Mr. DEPUTY SPEAKER: Order. There is no provision for discussion.

Mr. COLDWELL: There was no discussion. It was my intention to raise the question after the hon. gentleman had taken his seat.

Mr. MARTIN: There was discussion.

Mr. COLDWELL: There was very little discussion.

Mr. GRAYDON: On the point of order—

Mr. DEPUTY SPEAKER: Order. I was in the house at the time and I recall that the hon. member for Peel (Mr. Graydon) spoke. I do not know that others did, but at least he did.

Mr. GRAYDON: When I spoke it fell on deaf ears.

Mr. DEPUTY SPEAKER: In any event, if the hon. member for Peace River wishes to raise this question I think it would be more appropriate to do so when Mr. Speaker returns to the chair.

Mr. LOW: Mr. Speaker, I must take serious exception to the curtailment of the freedom of speech of hon. members.

Mr. DEPUTY SPEAKER: There is no curtailment of freedom of speech. I have suggested to the hon. member for Peace River that it would be more appropriate for him to raise this question in a few minutes when Mr. Speaker returns to the chair.

Mr. LOW: Thank you.

Mr. DANIEL McIVOR (Fort William): I should like to say a few intelligent words. The statement was made in the house that this resolution was like a blank cheque. From my experience in dealing with money matters it is only on money matters that you can have a cheque. There is no reference in this resolution to money, and since we like to have things clear and plain, to me this resolution is simply to keep in existence controls which we now have for two sets of people, first, the people at home so that they will have enough until the supply is equal to the demand; that people with small incomes will be able to get what they need, just as well as people with big incomes. The other reason is that we shall have enough to help the hungry abroad. Unfortunately there are some hon. members in the house who do not feel like sending food,

clothes and other things out of Canada; but our argument is that He said to feed the hungry, clothe the naked and feed the sick, and it is our duty so to conserve our food resources that we can feed the hungry anywhere.

I am strongly in favour of keeping controls and, after controls are lifted, to have stable prices for farm produce so that the farmers may have a decent living. I agree, too, with the hon. member for Winnipeg North Centre (Mr. Knowles), who has said that old age pensioners should be properly taken care of. In any country which calls itself Christian we should see that the old folks get a decent living, have enough to eat, a decent place to sleep and decent clothes to wear.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I had not intended to speak on the resolution, following the stand made clear by the leader of the opposition (Mr. Bracken) in the early stages of this debate.

However, yesterday the Minister of Justice (Mr. Ilsley) had presented to him an opportunity to clarify a statement respecting the law. It was a most fortuitous opportunity and one which revealed a high degree of telepathy as between the hon. member who asked the question and the minister who had the answer prepared for the question asked.

I have read the answer with some interest. The hon. member for Outremont (Mr. Rinfret) indicated that there was a good deal of doubt over the dissertation on the law which had been given a few days earlier by the minister, and in a speech notable for its brevity the hon. member asked a simple question. His question was as to whether the resolution was based upon any constitutional ground other than that mentioned in the resolution.

The resolution sets out the reasons for the powers sought when it states this:

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

Some days ago the minister gave his opinion in regard to the agricultural legislation before the house. That legislation was introduced by the Minister of Agriculture (Mr. Gardiner) and it, too, was founded on the basis of national emergency. The preamble to that bill read, in part:

> And whereas the said orders and regulations will expire on the 31st day of March, 1947, and it is necessary by reason of the existing national emergency that parliament confer authority to enable the government of Canada—

To do certain things, namely to fulfil its obligations under an agreement, and to continue to sell and to export food and so forth.

The minister's opinion was given in regard to the agricultural legislation which was founded on the doctrine of national emergency, and none other. He gave his opinion in considerable detail. Yesterday when he spoke he said this:

> Our emergency legislation is based on the existence of a national emergency arising out of the war, on the emergency doctrine, to which no one takes any exception either in this house or outside it.

Well, sir, I am not going to repeat the arguments which were advanced the other day. But according to the Canada Temperance Act case the doctrine of emergency can no longer be taken advantage of by any federel government to infringe upon the legislative jurisdiction of the provinces.

Mr. ILSLEY: May I say that by a subsequent privy council decision, the Japanese reference case, the emergency doctrine was emphatically affirmed.

Mr. DIEFENBAKER: I will come to that in a minute. I did not have the opportunity yesterday, sir, of asking the minister certain questions, when he made the ex parte statement. I wish to deal with that statement, because he has stated that this legislation is founded on the emergency doctrine, and as such can be passed by parliament. Then he went on to make this strangely exculpatory statement:

> My statement did not purport in any sense to be one of government policy or any indication of government policy. It was a report to the house on what the court had decided, nothing more.

Now, sir, with the greatest of respect for the Minister of Justice I submit that the facts are altogether the opposite of what he said they were. First, he set out, as reported at page 1553 of *Hansard*, the opinion of the law officers of the crown. Then he added:

> However I shall add my own opinion. I think on most occasions it will be the same as that of the deputy minister.

Then he set forth the opinion of the deputy minister. The minister continued in these words at page 1553:

> I do not think it necessary to add anything to that opinion.

And a little farther on:

> I am not going to venture into an opinion on the matter. However I have read the Canada Temperance Act case and the subsequent case, that of the Japanese reference, and it appears to me that the true effect of the decision in the

Canada Temperance Act case is that there does not have to be an emergency to found jurisdiction on the part of the dominion; that the dominion may have the power even when there is no emergency to legislate for the peace, order and good government of Canada, even though its legislation touches upon matters ordinarily regarded as solely within provincial jurisdiction. In other words, the judgment of the judicial committee of the privy council as given by Lord Simon extends rather than narrows the powers of the dominion as they had heretofore been conceived.

There, sir, he enunciates a doctrine which he said yesterday was his personal opinion, which would place in the hands of the dominion parliament, the power to override the British North America Act, to infringe upon the rights of the provinces under section 92 and, to all intents and purposes, to destroy the rights of the provinces under confederation.

Even if it is accepted as the personal view of the Minister of Justice, it is a view which would destroy the rights of the provinces in this country by permitting their coercion at the instance of a dominion parliament.

Mr. ILSLEY: That is utter nonsense, and the hon. member knows it.

Mr. DIEFENBAKER: Speaking about nonsense, I am just wondering how to designate yesterday's opinion which was given by the Minister of Justice. May I now proceed further to quote the minister's own words. After setting forth the power of the dominion, he states this as a personal opinion:

As I say, these cannot be the only aspects of the emergency but these aspects are, I submit, sufficient to occasion a valid exercise of the powers under the peace, order and good government clause.

To sum up: We do not need, under the Canada Temperance Act case, to establish a national emergency.

"We" is not personal. "We" represents the government in the parliament of this country, because up to that point the minister had invariably used "I" to describe himself.

Mr. ILSLEY: I said, under the Canada Temperance Act case. That is merely a statement of what that case says.

Mr. DIEFENBAKER: I will read it further:

To sum up: We do not need, under the Canada Temperance Act case, to establish a national emergency. Under that case a national emergency may be the occasion for passing legislation which is valid under the peace, order and good government clause.

And a little later on:

In that opinion I am supported by the deputy minister of justice.

Mr. ILSLEY: "Under" the Canada Temperance Act case means "according to" the Canada Temperance Act case, does it not?

Mr. DIEFENBAKER: After all, I am just reading from the opinion.

Mr. ILSLEY: But don't twist things, please.

Mr. DIEFENBAKER: When it comes to twisting there was a fine example of twisting yesterday on the part of the minister.

Mr. ILSLEY: That is more nonsense.

Mr. DIEFENBAKER: We on this side of the house have realized for a long while that this government, day by day and week by week, under the guise of national emergency has infringed on the rights of the provinces. The minister has declared as the viewpoint of the government of this country that they have the right to do so. That is a dangerous doctrine, a doctrine that would say that by a simple majority on the part of a government in power and its allies it can at any time, simply by a declaration in a preamble that an emergency exists, impinge on the rights of the provinces over property and civil rights. I can understand that my hon. friends to the left would accept this doctrine of emergency, for, should they ever come into power, they can simply call into existence an emergency and infringe on the jurisdiction of the provinces over property and civil rights, for socialism can never come in this country until all the provinces are socialistic or until parliament accepts the principle that, by a simple declaration of an emergency, the dominion parliament can infringe on provincial jurisdiction over property and civil rights.

Mr. BRUNELLE: If the hon. member will permit a question, was it not he himself who suggested to the Minister of Justice that, under the Canada Temperance Act case, emergency was no longer necessary upon which to found jurisdiction? Was it or was it not he?

Mr. DIEFENBAKER: I said that, under the Canada Temperance Act case, the doctrine of emergency no longer justified the dominion, by a simple declaration in a preamble, infringing on the rights of the provinces.

Mr. ILSLEY: That was not your position.

Mr. JAENICKE: Would the hon. member for Lake Centre mind quoting parts of the decision in the Canada Temperance Act case?

Mr. DIEFENBAKER: I have it here, but those who run may read, particularly those who are lawyers. I quoted from it the other day and I will quote from it again. My hon. friends to the left naturally support this

infringement on the jurisdiction of the provinces, for to bring their system into effect they have to have emergency powers of legislation in the parliament of Canada. They have to deny the right of the individual to recourse to the courts.

Mr. COLDWELL: That is ridiculous. That is a statement you cannot prove.

Mr. DIEFENBAKER: All right. Would Sir Stafford Cripps be an authority, I ask my hon. friend?

Mr. COLDWELL: Not for this group, maybe for somebody else.

Mr. ROWE: You have often quoted him.

Mr. DIEFENBAKER: There is another example of lack of cabinet solidarity or unity within a party. I have heard my hon. friend the member for Rosetown-Biggar say that his party stands where the Labour party of Britain stands.

Mr. COLDWELL: They have a unitary government over there. You cannot discuss a federal system and a unitary system in the same light.

Mr. DIEFENBAKER: My hon. friend has made the situation most clear. That is exactly what this government by legislation of this kind is effecting. It is creating a unitary state in Canada under the guise of an emergency. The hon. member for Rosetown-Biggar (Mr. Coldwell) is right. I find him reasonable. I always enjoy listening to him, but he quite frankly admits by the very question he asks that socialism can never come into effect if we uphold the principles of the British North America Act and the division of powers set out in that act in sections 91 and 92.

Mr. COLDWELL: The people will decide that some day.

Mr. DIEFENBAKER: True enough, the people will decide. But at the moment I am saying that if my hon. friends of the C.C.F. came into power tomorrow the precedent declared the other day by the Minister of Justice would be the blueprint upon which they, with a majority, could override parliament. They would have with them the supporting corroboration of the Minister of Justice.

Mr. GRAYDON: He is John the Baptist to them.

Mr. DIEFENBAKER: My hon. friend the leader of the C.C.F. says that he cannot accept what Sir Stafford Cripps has to say. I was in the library today and I was reading what was said away back in 1933 by Sir Stafford Cripps, when the whole plan was revealed. Does my hon. friend accept Major Attlee, the present Prime Minister of Great Britain?

Mr. COLDWELL: So far as what he says about his own country yes, but in what he says about this country, no.

Mr. GRAYDON: What a change!

Mr. DIEFENBAKER: Here is revealed how socialism is to be brought in. These words were written in 1933. Sir Stafford Cripps said in 1933 in "Problems of a Socialist Government", at page 43:

> The government's first step will be to call parliament together at the earliest moment and place before it an emergency powers bill—

Mr. KNOWLES: What parliament?

Mr. DIEFENBAKER: My hon. friend does not need any information on that. Surely he can answer his own question.

Mr. KNOWLES: Just to keep the record clear.

Mr. DIEFENBAKER: I will read it again:

> The government's first step will be to call parliament together at the earliest moment and place before it an emergency powers bill to be passed through all its stages on the first day.

Mr. ROWE: A little of Hitler there.

Mr. DIEFENBAKER: Get it through quickly—applying the doctrine of emergency. It goes on:

> This bill will be wide enough in its terms to allow all that will be immediately necessary to be done by ministerial orders.

That quotation indicates why my hon. friends to the left invariably support the government in its order in council type of government, because Sir Stafford Cripps, the guide and beacon of his party, has set forth the course. When I said that whatever was done under ministerial order was not subject to the courts, did the leader of the C.C.F. say "nonsense"?

Mr. COLDWELL: No, I did not say that.

Mr. MITCHELL: May I ask in what year that book was written?

Mr. DIEFENBAKER: In 1933.

Mr. MITCHELL: People are naive when they are young. The year 1933 is a long time ago.

Mr. ROWE: Another naive observation!

Mr. KNOWLES: The minister was a socialist then himself.

Mr. DIEFENBAKER: I do not want to see an argument between my hon. friends because they have been allies up to now. Sir Stafford goes on to say:

These orders must be incapable of challenge in the courts.

Then he sets out what has to be done. He says that the government will have to govern by ministerial order. Then at page 54 he says:

In the extended use of ministerial orders for giving legislative effect to the general principles laid down by parliament, one great change must be effected. At the present time it is left to the courts to decide whether these orders are within the powers given by parliament. It is always possible for them to be challenged in the courts and to be declared invalid. This power—

The power of recourse to the courts.

—must be taken from the courts, and the sole right to challenge such orders must rest with parliament.

There is the blueprint, even to the name. As the Minister of Labour (Mr. Mitchell) says, it was a long time ago, 1933, fourteen years ago, when Sir Stafford Cripps, now a minister in the Attlee cabinet, set forth not only the course to be taken but the name for the bill which the government of Canada fourteen years later adopted.

Mr. ILSLEY: The name for what bill?

Mr. DIEFENBAKER: That has been one of the names used, the emergency powers bill.

Mr. ILSLEY: Not of this bill.

Mr. DIEFENBAKER: My hon. friend the leader of the C.C.F. said, "Well, we cannot accept Sir Stafford Cripps." I turn over a few pages, and Major C. R. Attlee, M.P. adds his chapter, page 186:

In his chapter "Can Socialism come by Constitutional Methods?" Sir Stafford Cripps has examined the conditions in which a socialist government, returned with a majority and a definite mandate from the electors to transform the economic system, would have to work.

And these are the words:

I associate myself with his conclusions.

Well, there is the picture.

Mr. COLDWELL: The mandate of the people should be carried out. That is all that says. The hon. member knows that perfectly well.

Mr. DIEFENBAKER: He associated himself with the words of Sir Stafford Cripps as to the means whereby it could be done.

Mrs. STRUM: So did the people of England.

Mr. DIEFENBAKER: Oh, I have heard that before; that is no answer.

Mr. KNOWLES: Didn't they?

Mr. DIEFENBAKER: Oh, yes, they voted for it, and I am not going to discuss that situation today. But the other day Churchill, in the House of Commons, pointed out the difficulties in Britain today in consequence of the election of a government that has destroyed initiative.

Mr. MACKENZIE: What were the difficulties here in 1933 when that book was written, when a Tory government was in power?

Mrs. STRUM: They almost ruined the country.

Mr. DIEFENBAKER: Even Your Honour has to laugh.

Mr. COLDWELL: We are all laughing at the present speaker. The whole house is laughing.

Mr. DIEFENBAKER: I do not know why there are all these interruptions, but I am glad to see that the Minister of Veterans Affairs (Mr. Mackenzie) sees so clearly through the same glass—

Mr. ROSS (Souris): He is a good socialist.

Mr. DIEFENBAKER: —as do my hon. friends to the left, who found it necessary today to renounce the doctrines of a man whom a few short weeks ago they held up as a model leading a government the like of which they would wish to have in this country. Here we are in 1947, with the government asking for powers which, if the doctrine enunciated by the Minister of Justice is accepted by this house and the country, means that as far as our federal system is concerned the dominion will be placed in the position of a landlord with overriding powers of legislative eviction in so far as the provinces are concerned. The provincial jurisdiction will be that of tenants at will, with its legislative power at the will of a majority in the House of Commons.

Mr. CLEAVER: That is cheap bologna, no matter how you slice it.

Mr. ILSLEY: Worse than that, mischievous tripe.

Mr. DIEFENBAKER: No one can speak with greater authority on that subject than my hon. friend.

Mr. CLEAVER: More of the same.

Mr. DIEFENBAKER: Possibly, sir, my hon. friend would be prepared to give his legal opinion on the subject when I conclude.

Mr. ILSLEY: Would my hon. friend give his? Will he answer this question: Does he deny the constitutional basis for this proposed legislation? Does he say it will be invalid?

Mr. DIEFENBAKER: I say, sir—

Mr. ILSLEY: Answer the question.

Mr. DIEFENBAKER: Having regard to the change of face on the part of the Minister of Justice, I think there cannot but be doubt on the part of anyone who reads, first, his opinion of the other day and his withdrawal yesterday.

Mr. ILSLEY: My hon. friend will not answer the question.

Mr. MACKENZIE: He does not dare.

Mr. ILSLEY: My hon. friend dare not answer the question, yes or no.

Mr. DIEFENBAKER: My hon. friend is able to ask any question like that because he realizes that this is—

Mr. MARTIN: Answer the question.

Mr. ROWE: Give him a chance to answer it.

Mr. DIEFENBAKER: Mr. Speaker—

Mr. CLEAVER: You are afraid to answer it.

Mr. DEPUTY SPEAKER: Order. The hon. member for Lake Centre has the floor. He must not be interrupted.

Mr. DIEFENBAKER: I was going to say this. My right hon. friend has taken two stands. The first stand was a logical one. He took that and then began to realize that the provinces would appreciate that what we have said over here for the last two years is coming true.

Mr. ILSLEY: I did not take two stands.

Mr. DIEFENBAKER: I beg your pardon?

Mr. ILSLEY: I say I did not take two stands.

Mr. ROWE: Read *Hansard*.

Mr. ILSLEY: I cannot reply in this debate, or I would reply.

Mr. MACKENZIE: There is nothing to reply to.

Mr. DIEFENBAKER: I could follow the course my right hon. friend started yesterday by having one of his supporters ask a question which my right hon. friend was ready to answer.

Mr. MACKENZIE: Why should he not ask the question?

[Mr. Diefenbaker.]

An hon. MEMBER: That was perfectly in order.

Mr. MACKENZIE: What was wrong with it?

An hon. MEMBER: It was framed.

Mr. DEPUTY SPEAKER: Order. The hon. member for Lake Centre should be allowed to continue without so many interruptions.

Mr. DIEFENBAKER: I would now point out the case in reference to which the question was asked by the hon. member for Kindersley, and that is the case of the Attorney-General of Canada and the Canada Temperance Federation. I have quoted from it in a previous discussion wherein it is set forth that the doctrine of emergency can no longer be taken advantage of by the federal authority. My right hon. friend yesterday said he was speaking only for himself when he made the statement the other day. I ask, sir: Since when can there be a bifurcation on the part of a minister of the crown, when he can speak from the treasury benches for himself, and then later on say words to the effect that when he spoke the other day he was speaking only for himself and not speaking for the government?

Mr. ILSLEY: That was not the position I took at all.

Mr. JAENICKE: Would the hon. member permit another question? Will he read that part of the judgment which refers—

An hon. MEMBER: Read it yourself.

Mr. JAENICKE: I am not going to make a speech just now.

Mr. GRAYDON: Oh, well—

Some hon. MEMBERS: Question.

Mr. GEORGES H. HEON (Argenteuil): Mr. Speaker, the resolution before this house is in effect to continue for a limited period certain orders and regulations passed by the governor in council under the War Measures Act. Further, the resolution is to authorize the governor in council to hire and to pay out of public funds an unfixed, undetermined amount to the numerous officers, clerks and employees of the wartime prices and trade board and the crown companies who will administer, execute and decide the limitation of freedom of the Canadian people for a limited period under these orders and regulations.

The resolution, as I understand it, assumes that a state of emergency still exists, and the debate has brought a statement of the law officers of the Department of Justice into

Hansard, that even if a state of national emergency did not exist *de facto,* it would still be lawful and constitutional under the "peace, order and good government" proviso of section 91 of the British North America Act to apply in peace time the orders and regulations which were passed under the War Measures Act and which, it is alleged, violate some of the provisions of section 92 of the British North America Act.

It could be stated here as an aside that if the officers of the Department of Justice who wrote that opinion had been expressly mandated to prepare an opinion which would furnish Messrs. Macdonald, Drew and Duplessis precious ammunition in their fight for the respect of provincial autonomy, they could not have done better. True, after the speeches made by the hon. member for Quebec South (Mr. Power) and the hon. member for Montmagny-L'Islet (Mr. Lesage), whose opinion I fully share, on the constitutional issue at present involved, and after the carefully timed question put by the hon. member for Outremont (Mr. Rinfret), the government has taken pains to restate, I would say, its constitutional views. But—and this is a big "but"—I have not heard or read yet that the advisers to the Minister of Justice (Mr. Ilsley) had changed their own legal opinion on the same subject. Whether the right hon. minister will be able to convince his advisers or whether the advisers will reconvince the minister, I do not know. Be that as it may, Mr. Speaker, the constitutional issue, although a most serious one, is not the only issue involved in this resolution.

In preceding debates and in the course of this debate, another highly controversial assertion has been brought into play. It has been stated that a national emergency in Britain creates a national emergency in Canada because, Britain being our best customer, if she does not remain so we shall ourselves immediately suffer dire economic consequences. The fact remains that our best customer is at the moment also our heaviest and least immediately-solvent debtor, despite the fact that this country has literally pumped into the economic heart of Britain, both during and since the war, billions of dollars in loans, goods and credits. Certainly Canada can never be accused of having been miserly in its help, even if Canada decided to discontinue that benevolence tomorrow, and set herself to do business with customers who are able to pay their bills immediately.

No one has greater admiration and sympathy than I have for the courageous British people in their present straits, and no one wishes them a speedier recovery. Yet as a Canadian I cannot fail to take notice of the conditions prevailing in my own country, of the various shortages which handicap our own economic recovery and which create unrest and discontent among all classes, particularly the labouring and white-collar classes who, already deeply affected by small wages, cannot procure those few items of necessity or comfort to which as humans they are entitled.

As was so ably stated by the hon. member for Charlevoix-Saguenay (Mr. Dorion) last evening, you will never be able to convince the fishing community of Quebec's north shore that it must do without powdered milk. You cannot convince the Canadian farmer, who cannot procure a much-needed truck that he must do without it; similarly you cannot convince the veteran who cannot procure decent lodgings; the father of a family who has saved for years to build a small house of his own but cannot do so for lack of building materials; the rural dweller who wishes to have electricity installed, but cannot obtain wire and fixtures because they are nonexistent, except on the black market; the mother of a large family who cannot procure the butter she needs when she needs it because of our commitments to Britain and the necessity of keeping solvent our best customer. In all cases, to the man who is not acquainted with the intricacies of international finance and markets, the answer will be: "Well, ordained charity begins at home," and I know of no one who is prepared to challenge the truth of this old saying and wisdom. That we should export our own production surpluses, I agree, and say, "yes"; that we should export that portion of our production which is evidently needed here, I disagree and say "no". After all, there is a limit beyond which a nation of twelve million people, which bled itself in its magnificent war effort, cannot be asked to go even if it is to help its good customers. If controls are to be maintained for a further period, the boys at the controls should be instructed to control in such a way as to give to the Canadian people who pay their wages, those necessities, utilities and goods which are sorely needed, before controlling for purposes of exportation and favourable trade balances. Highly trained economists, and exponents of internationalism may believe that exportations come first, but the average Canadian thinks that, because he produces, pays the bills and the taxes, he comes first; and in that attitude I believe he is absolutely correct and honest.

The present resolution involves a still greater principle than constitutional integrity,

the opportunity of maintaining exports and helping our friends and erstwhile allies; it involves that principle which further consecrates a planned and controlled economy rather than a return to the old competitive system. One of these days, and maybe very soon, we shall have to make a definite choice. We cannot forever pay lip service to the cause of freedom of enterprise, the while fostering and abetting state control, state power, by looking to the government or to the bureaucrats to provide a way out of our economic difficulties.

Various opinions have from time to time been expressed in this house on this all-important issue, opinions which vary all the way from out-and-out socialism to mitigated socialism, to mitigated capitalism and to rock-ribbed individualism.

To the believers in continued state control, I should like to read this extract from *Time* magazine of February 17, which is speaking about the communist Eisler, who is now in the hands of American justice:

But beyond Eisler there are a host of other men—fellow travellers, confused liberals, "totalitarian liberals," left-wing new dealers—who owe muddled allegiance to the idea that government should be omnipotently responsible for the lives of its citizens even to the point of benevolent despotism. They fail to understand that despotism, which has a way of beginning with benevolence, usually ends by being merely despotic. Few of them even understood the incompatibility of their views with democracy, or that it is just such views which makes them so sympathetic to Soviet Russia.

I should also like to read this extract from Friedrich A. Hayek's great book, "The Road to Serfdom":

In order to achieve their ends, the planners must create power—power over men wielded by other men . . . Their success will depend on the extent to which they achieve such power. Democracy is on obstacle to this suppression of freedom which the centralized direction of economic activity requires. Hence arises the clash between planning and democracy.

And further:

To decentralize power is to reduce the absolute amount of power, and the competitive system is the only system designed to minimize the power exercised by man over man. Who can seriously doubt that the power which a millionaire, who may be my employer, has over me is very much less than that which the smallest bureaucrat possesses who wields the coercive power of the state and on whose discretion it depends how I am allowed to live and work.

And still further:

Our generation has forgotten that the system of private property is the most important guarantee of freedom. It is only because the control of the means of production is divided among many people acting independently that we as individuals can decide what to do with ourselves. When all the means of production are vested in a single hand, whether it be nominally that of "society" as a whole or that of a dictator, whoever exercises this control has complete power over us. In the hands of private individuals, what is called economic power can be an instrument of coercion, but it is never control over the whole life of a person. But when economic power is centralized as an instrument of political power it creates a degree of dependence scarcely distinguishable from slavery.

It can be argued, and quite properly, that the present resolution does not go that far and that it is a move to decontrol slowly; yet it is maintenance of controls in the most potent and dangerous of forms, namely, statutes. On this continuation of controls, I should like to quote two opinions. One is by the Canadian chamber of commerce passed at Winnipeg, and reads as follows:

The highest standard of living in the world has been developed on this continent under the system of private competitive enterprise. The Canadian chamber of commerce records its unswerving support for that system and its vigorous opposition to anything which would weaken or destroy the rights and freedom of the individual citizen.

Freedom of choice and freedom of action, within the limits of the public welfare are regarded as inalienable rights of the individual. The chamber holds that Canada can be great and prosperous only if all individuals have the incentive of adequate reward for energy, initiative and enterprise and the right to enjoy the products of their thrift and foresight. Freedom is indivisible. The individual cannot be deprived of his economic freedom and retain his political freedom.

The rights of free citizens to sell the products of their labours cannot be surrendered to the state without a loss of personal liberties, such as few citizens would be willing to accept.

The other quotation is from a statement made by Robert P. Jellett, chairman of the board of the Royal Trust Company, on February 11, 1947, and reads as follows:

There is need for much careful thought by all citizens as to the part that the state may properly exercise in the total of the country's activity. The attempt to regulate prices and wages has brought about a remarkable extension of the state's control. I have not believed, however, that any combination of brains at the disposal of governments can ever equal the almost automatic effects of the ordinary law of supply and demand in the efficient adjustment of prices and wages. There is a limit to the number of experts who may be engaged to watch conditions, costs, and prices, and to endeavour to exercise control of them to the best interests of the economy of the country. But there is almost no limit to the number of people who through their multitudinous purchases and sales bring about the changes in prices needed to balance supply and demand. A point to bear in mind is that these multitudes, in contrast to those employed in government bureaux and boards, render this essential service without cost to the taxpayer.

What is of still greater importance, only the prices established in this natural way can be regarded as genuine. The price levels established by bureaucratic manipulation are generally deceptive. For a low price can often be maintained only by the payment of subsidies or by the lowering of the quality of the goods—both of which must ultimately reduce the purchaser's income in other ways. Moreover, the artificial control of prices has led to many most undesirable complications, such as the encouragement of black marketing and the decline in the production of needed goods because the fixed prices do not make their manufacture profitable. It is well to face the fundamental economic fact that only free prices can tell the truth.

Return to Fundamentals

There are signs that people and government alike may be returning to the realization of the fundamental economic truth that whatever regulations may be found desirable in the public interest, the most natural and the most fruitful role of government comes from what it may be able to do to reduce all that restricts and discourages, and to assist all that may release the immeasurable potentialities that lie in free individual effort and responsibility.

Sir Ernest Benn has gone farther still: he has stated that a free trading competitive economy will not only prevent depressions, but also prevent wars. He spoke thus:

I am one of those who believe that but for the Ottawa agreements and our protective tariff at home, designed to save us from the supposed disadvantages of competition, Hitler would never have been heard of. I hold it to be a myth that wars of the past have been conducted for trade reasons or that economic competition has had anything whatever to do with them. At all events so far as we are concerned it is undoubtedly true that so long as we are prepared to buy and sell in the open market in competition with one and all, we offer no economic incentive to the most persistent of war-mongers.

It is then a matter for every hon. member to decide for himself, depending on the school of economics to which he belongs. As for me, I choose to align myself with the editors of *Time,* Freidrich Hayek, the Canadian chamber of commerce, Mr. R. P. Jellett, Sir Ernest Benn and countless Canadians who feel that full scope be given to the individual's initiative. If this initiative runs amok, this house can legislate to curb it and punish it if needs be; but let this initiative, within law and reason, be given full speed ahead to hasten our economic recovery.

The resolution as it stands before us, Mr. Speaker, is too general in its terms. If a specific control were shown to be temporarily essential, by a specific measure, I would vote for it, except rentals, which should revert to provincial legislatures. If I can be shown that there is not enough butter, or cheese, or milk produced in this country to satisfy this country's needs, I will gladly vote to ration it; if it can be demonstrated that lumber is not being produced in sufficient quantities to fill our construction needs, again I shall favour its control. But as regards lumber, I must say that producers feel that control is not further necessary, and I wish to put on *Hansard* copy of a letter written by the Canadian International Paper Company to the Minister of National Defence (Mr. Claxton), permission for quotation having been obtained from the Canadian International Paper Company. The letter is dated February 17, 1947, and reads as follows:

Hon. Brooke Claxton, K.C.,
Minister of National Defence,
M.P. for St. Lawrence-St. George,
Ottawa, Ontario.

Dear Sir:

We are of the opinion, along with other Canadian lumbermen, that the time has arrived when price control should be abolished and the lumber industry allowed to function in its own way.

Our cost of production has increased—in fact, above our present ceiling price, owing to increases of wages, food, supplies, especially labour, which makes up about 60 per cent of our total cost. This increase has forced us to look to foreign markets in order to balance the low prices of Canadian ceilings. This situation, if not checked, will jeopardize Canadian position in the world markets.

If decontrol is put into effect promptly, graded lumber will flow more freely under free distribution. Also the results of decontrol have been demonstrated by conditions in the United States where prices increased for a short period but settled down to a lower level; in some cases below the old OPA prices.

If decontrol is to be put into effect, the most opportune time would be at once, before the new production comes onto the market in early spring and summer.

We believe that you would be benefiting the country as a whole and the lumber industry in general by urging your cabinet members at Ottawa to have lumber controls removed.

Yours truly,
Canadian International Paper Company
(Signed) G. G. Goodall,
Lumber Sales Manager.

I should also like to quote a paragraph from a letter of the Western Retail Lumberman's Association, dated February 27, 1947, which reads as follows:

Retail lumber dealers ask that price control on lumber be removed, firmly convinced that this course alone will restore order in the business and make possible increased volume of construction work.

For all the reasons I have given above, and because the resolution is too general in its terms and perpetuates government by order in council and administration of officers, clerks and employees not responsible to this house or to the people, I shall vote against it, and in so doing I believe I shall be in distinguished company.

Mr. A. M. NICHOLSON (Mackenzie): Last evening the hon. member for Souris (Mr. Ross), in taking part in the debate, took occasion to quote from a speech delivered by the hon. member for Rosetown-Biggar (Mr. Coldwell) on June 5, 1940, as reported at page 545 of *Hansard,* as follows:

> The secret of the recent success of the Germans is the fact they have consciously planned their economic structure.

I interrupted the hon. member and suggested that he should read the entire statement. He replied:

> I have not time to read the whole speech.

Hansard then reports me as saying not what I had intended to say, as follows:

> Then the hon. member must be doing it for a diabolical purpose.

What I was seeking to do at the time was to give the rest of the statement the hon. member for Rosetown-Biggar made at that time. The complete statement as found on page 545 reads as follows:

> Many of us are realizing for the first time today that the secret of the recent success of the Germans is the fact that they have consciously planned their economic structure. True, they have planned with diabolical intent, but they have planned with an end in view.

I thought then that if the hon. member for Souris wished to be fair to this group he should have given the entire statement. I should like to remind him of the old Chinese proverb that the beginning of wisdom is the calling of things by their right names. I am sure that the hon. member for Souris knows the hon. member for Rosetown-Biggar well enough to know that he is the last person in this house or in Canada who would seek to force on the Canadian people any form of government which would be undemocratic or undesirable. The hon. member for Rosetown-Biggar has been well known throughout his lifetime as one of the outstanding champions of democracy in Canada. Hon. members like the hon. member for Eglinton (Mr. Fleming) and the hon. member for Souris are not performing any useful public service by lumping together all ideas which are objectionable to them and hurling them at those of us who sit in this part of the house. I think they should recall that less than two years ago Russia was a great ally; she was fighting bravely because the people of that country thought there was a fundamental difference between the system they had in Russia and the system in Germany. I submit, Mr. Speaker, that it does not make for good international understanding when members in this chamber now tell us that there is no difference between the forms of government they have had in Germany or in Great Britain or in Russia.

The hon. member for Souris took some time to tell about the wonderful conditions prevailing to the south of us in the United States. I was expecting that after he developed his argument, in which he pointed out how few bushels of wheat the North Dakota farmer pays for a combine or a tractor, as compared with the number of bushels a farmer in Manitoba or Saskatchewan would have to pay, he would have gone on to make a speech advocating the removal of tariffs in Canada. I suggest to him that one of the reasons western farmers have always paid much higher prices for their farm machinery has been that the Conservatives in eastern Canada have imposed unreasonable tariffs on the farmer.

Mr. ROSS (Souris): Is that so today?

Mr. NICHOLSON: Throughout our generation the tariff structure, generally, has imposed an unfair burden on the people of this country.

Mr. ROSS (Souris): But tell us what that tariff is today.

Mr. NICHOLSON: It is a good deal on automobiles, for example.

Mr. ROSS (Souris): The hon. member mentioned farm implements and combines.

Mr. NICHOLSON: It applies to all farm costs. If it were not for tariffs, prices in Canada would be a good deal lower.

Mr. JACKMAN: Skating around it again.

Mr. NICHOLSON: The hon. member for Souris might have gone on to tell us about the cost of living in the United States. I have a report here showing the cost of living in several United States and Canadian cities where conditions are as comparable as one might expect. I have chosen Vancouver and Seattle; Winnipeg and Minneapolis; Toronto and Detroit and Cleveland; Ottawa and Syracuse; Montreal and Boston. This survey was made between January 6 and 17. I find that, while milk sold in Canadian cities at from twelve to sixteen cents, it sold for from twenty-two to twenty-six cents in the United States. Perhaps I should explain that in making this comparison the fact that the Canadian imperial quart is larger than the United States quart was taken into account. The former O.P.A. ceiling price in the United States on milk was twenty to twenty-four cents. Creamery butter in Canadian cities sold at from forty-one to forty-six cents, and in the United States at from seventy-five to ninety-one cents, the former O.P.A. price being fifty-five to sixty-three cents. Cheese, which sold in

Canada at thirty-one to forty-two cents, sold in United States cities at from forty-six to sixty-nine cents, and the O.P.A. price had been forty-three to sixty-one cents.

All down the list of foodstuffs we find these marked differences in flour, corn syrup, soap—all the items used in Canadian homes. The effect of the removal of price ceilings in the United States has been that the citizens get less for their dollar. I am much happier to be in Canada than I would be if I were in the United States. True, certain wages and prices would appear more favourable on the surface, but I believe, on balance, conditions in Canada are a good deal better.

When the hon. member for Lake Centre (Mr. Diefenbaker) rises in the House of Commons he always makes an interesting speech. However I think a discussion of what has been advocated in Great Britain by a labour government under one set of circumstances, despite the fact that their approach to the problem is similar to ours, is not necessarily relevant when we are discussing a Canadian problem.

The hon. member might have gone on to develop an argument which was started some time ago regarding the town and country planning bill in the United Kingdom. Over there they have a set of conditions under which the ownership of the great resources of the country is vested in the hands of a small number of people. I saw that in an article which appeared in the Toronto *Star Weekly* of March 15, regarding this vicious socialist legislation, as it would be described by the Progressive Conservative party, Matthew Halton, C.B.C. correspondent, said this:

> The measure is obviously then revolutionary. It is no wonder that one socialist journal calls it "the end of the bastille", while another headlines its story, "Death to Debrett's." The land has always been the bastille of privilege in Britain, and a fortress hitherto inviolable . . . A handful of men owned the land of Britain, and still do; but their tenure, or at least their control, is now to end. Of the 45,000,000 people in the United Kingdom, less than 2,000,000 own a single square foot of land. Of the 9,000,000 people in London, less than 40,000 own a piece of land.
>
> In the United Kingdom there are 90,000 square miles of land. Half of it is owned by 340 men. Lord Derby owns one-third of Lancashire. The Duke of Norfolk owns 50,000 acres, the Earl of Breadalbane 300,000 acres, the Duke of Devonshire 186,000 acres, the Duke of Portland 183,000 acres, and so on. Just before the war the Marquis of Bute sold half the city of Cardiff for $150,000,000—and still owned 117,000 acres.
>
> The ancient families own the land by ancient right or reward or accident or plunder. Typical example: Five hundred years ago at the battle of Tewkesbury, which ended the Wars of the Roses, Lord Stanley deserted Richard III at the crisis of the battle and went over to Henry VII and the Lancastrians. King Henry rewarded the traitor with the earldom of Derby and with the lands of the Lancastrians who had fought against him. Today, Lord Derby owns whole towns that have grown up on the lands so acquired, some $9,000,000—quite a substantial profit at that figure.

If I were living in Great Britain I would be advocating a land policy different from that advocated in Canada by the C.C.F. The fact is that in Canada the land belongs to the farmers, but they are not exploiting the consumers. It is a well-established fact that the Canadian farmers, in war time and in peace time, have worked unreasonably long hours and have produced enormous quantities of foods for local and foreign consumption. They have supplied these foodstuffs at less than the cost of production.

Therefore there is no reason under the sun why any political party in Canada should advocate a land policy such as that being advocated by the labour government in Great Britain, where we find a small handful of people owning vast estates and exploiting the people who work on that property.

I was amused by the hon. member for Lake Centre. One would think, when listening to him in the house, that those who sit on the treasury benches are leading the country straight to socialism, that they are public enemies number one. But it is interesting to note that when the hon. member is out in Saskatchewan he sees to it that his supporters in that province work with the Liberals, with a view to defeating the C.C.F.

Press dispatches from Regina make it clear that the remaining Conservatives in Saskatchewan are desperate, and are saying to the Liberals, "Really, there is nothing to keep us apart. We must get together to stop the C.C.F." It is going to be extremely difficult for the hon. member for Lake Centre and the hon. member for Rosthern (Mr. Tucker) to go back on the hustings in Saskatchewan and tell the people out there that they have settled their differences, that they are one in Saskatchewan, but that they sit on opposite sides of the House of Commons in Ottawa. I suggest that it would keep the record straight if the hon. member for Lake Centre would see to it that his followers in Saskatchewan pursued the same general tactics followed in the House of Commons by the Progressive Conservative party.

Mr. KNOWLES: And it is the same thing in Manitoba and British Columbia.

Mr. NICHOLSON: Yes; I could add that in all the western provinces that is so.

Mr. ROSS (Souris): Bring them all down to give you a hand in Manitoba.

Mr. NICHOLSON: It appears there is no difference between the Liberals—

Mrs. STRUM: We haven't any in Saskatchewan.

Mr. ROSS (Souris): Yes, we had you there; I enjoyed your visit.

Mr. GRAYDON: Didn't you people enter into a coalition in Manitoba, at one time?

Mr. NICHOLSON: The hon. member for Argenteuil (Mr. Heon)—

Mr. GRAYDON: Did you get out of it?

Mr. COLDWELL: When we did not know him as well as we know him now.

Mr. NICHOLSON: Would others kindly save their speeches until I have finished? The hon. member for Argenteuil—

Mr. ROSS (Souris): It was not that way last night.

Mr. NICHOLSON: —made an eloquent appeal for the power and pulp manufacturers, for the poor members of the Canadian chamber of commerce who are being forced out of business by these bureaucratic controls! Each morning as I come to the parliament buildings I read the Montreal *Gazette*, and I find the financial page of this publication supplies some interesting information. The large corporations in Canada are submitting financial statements for 1946 which make all their previous net profits look like chicken feed. For instance, the Woods Manufacturing Company is reported in today's paper as having made a net profit of $197,315 in 1945, and $302,610 in 1946. I submit that their position does not deserve very much sympathy.

Then, International Nickel, one of our very poor relations, showed a net profit in 1945 of $25,010,938, and in 1946 one of $29,681,352. The Paul Service Stores increased their net profit from $43,675 in 1945 to $91,681 in 1946. And one of the well-established firms, Distillers-Seagrams had a net profit of $13,194,441 in the six months ended January 31, 1946, while their net profit for the six months ended January 31, 1947, was $31,834,858. One of these very poor pulp and paper companies, the St. Lawrence Paper Mills, had a net profit of $431,460 in 1945, and $1,241,504 in 1946, or nearly three times as much as in 1945. The Lake St. John Pulp and Paper Company had a net profit of $310,898 in 1945, and of $872,202 in 1946. I submit, Mr. Speaker, that with corporations in Canada showing balance sheets such as I have mentioned, it is obvious that they have not been hurt very much by the controls which existed during the war.

[Mr. Nicholson.]

Having said that much on the comments made by the members of the Progressive Conservative party, I want now to support the view expressed by the leader of this group and by my colleagues, that we are not satisfied with the government's disorderly retreat from the whole price control field. Calling the Minister of Justice a socialist is, I think, unfair. I believe that members in all parts of the house had a great admiration for the Minister of Justice in his capacity as Minister of Finance during the war. There was a good deal of sniping at many of the dictatorial powers that he took, but I shall be surprised if any evidence is ever presented to show that the Minister of Justice in his position as Minister of Finance improved in any particular the financial position of himself or any of his friends, and I submit that that is an important test to apply to an organization which had such sweeping power and control over the lives of so many people. There can be no argument about it, that if Canada was to make her greatest contribution in prosecuting the war to a successful conclusion some authority had to decide the quantities of materials that should be allotted for domestic consumption and what quantities should be devoted to the manufacturing of armaments and supplying the necessities of our allies. During the war from 1914 to 1918 we got through without any of these controls, but in that war we diverted only about ten per cent of our national production to war purposes, while from 1939 to 1945 we diverted nearly fifty per cent and the interesting feature is that after we had diverted fifty per cent of our domestic consumption to war purposes, and after 750,000 of our youngest and finest went forth in the armed forces, our Canadian citizens at home enjoyed on the average, a higher standard of living than they had ever done before. I see that my hon. friend the member for Peterborough West (Mr. Fraser) is about to interrupt me and tell me what the income tax did to him and how his way of life was cramped, and I am not denying that.

Mr. FRASER: I think in Ottawa it is only the C.C.F. who have maids. We have none.

Mr. NICHOLSON: It is true that people in the higher income tax brackets have had to pay more drastic taxes and they have not been able to do all the things they would have liked to do. But until controls were introduced there was no way of assuring that automobile production would be available for military

purposes. Without controls we would have had automobile factories running to capacity, and Canadian citizens who did not have a patriotic sense of duty would have been buying and using automobiles for pleasure. But controls were introduced, and the Canadian people, in response to appeals made by the government were prepared to get along without new cars, were content to drive their old ones, and put up with the rationing of gasoline.

It is unfortunate that some hon. members should have made such wild and reckless statements as to the extent of black markets in Canada. While there has been some black market business, I think that, on the whole, only a very small amount of business has been transacted on the black market. I did a good deal of travelling during the war and sometimes found myself arriving at a hotel without having made reservations in advance, but never once did I offer a bribe to any of the staff to get me a room. Sometimes I had to wait for some time and I did have to stay up all night on one occasion, but generally speaking I believe that the staff in hotels and stores and garages, in fact all our people, cooperated with the authorities in complying with the regulations.

I think it was the hon. member for Edmonton East (Mr. Ashby) who suggested that all the deputy ministers should be called before the courts of justice and charged with treason. I believe that suggestion did a great disservice to public spirited citizens. The deputy ministers are not here to defend themselves, but each has a minister who must take responsibility for everything he did, and if any deputy minister has acted in an undemocratic way or has advocated things that are not in the public interest, the way to proceed against him is to get the minister on the carpet and make charges or bring the matter up on a question of privilege.

Again I suggest that we should determine for ourselves whether we would have had a more effective war effort without controls, whether it would have been better to allow the dollar ballots to decide what should be done.

I was interested in a release put out by the government during the war indicating how controls on truck traffic had operated to the benefit of our war effort. I quote from the release:

> The effect of the order has been the elimination of at least 100,000,000 truck miles per annum (this is an ultra conservative figure), with few instances where justifiable criticism based on actual hardship can be levelled at the board, either through lack of service or increased costs.

I submit that the saving of 100,000,000 truck miles a year is a matter of great importance to the producer and the consumer, and without controls of this kind Canada would not have been able to make such an effective contribution to the war effort.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. NICHOLSON: Mr. Speaker, when the Minister of Justice (Mr. Ilsley) was speaking on Thursday he made reference to the housing problem which still exists in this country, and he said:

> While much progress has been made in expanding our peace-time production, and while the flow of output is gathering increasing momentum, production in a number of important fields has not yet overtaken the high level of demand which in some cases, like that of housing, has been accumulating for years.

He was understating a pretty obvious fact. Later on, he said:

> In some cases, the consequences are quite obvious. For example, I do not think there can be much question as to what would happen if the controls over rentals and evictions were removed in present circumstances. In the face of the continuing shortage of housing accommodation, it is clear enough that rents would rise sharply and that evictions would be counted in the tens of thousands.

The minister was interrupted by some of my Progressive Conservative friends over here who said "Oh, oh." The minister at once replied:

> Absolutely true; and anyone who denies it is just living apart from the facts.

There have been suggestions from the Progressive Conservative section of the house that if all controls were abandoned, if free enterprise or private enterprise could have its way, the housing problem would be solved next week, or, if not next week, certainly next month.

Mr. GREEN: There was never any such suggestion.

Mr. NICHOLSON: The hon. member for Eglinton (Mr. Fleming) indicated that the removal of controls would be an important step with a view to solving this complex problem.

Mr. JACKMAN: Hear, hear.

Mr. NICHOLSON: Somebody says "hear, hear" to support my claim. The minister was right in saying that the problem is acute,

because it has been accumulating for many years. While the Progressive Conservative party was in office from 1930 to 1935, we saw the building of houses drop from 100, if you take your base prior to the depression, down to less than 20 during those years. Our sawmills were closed; tinsmiths and carpenters joined the ranks of the unemployed because we failed to provide needed homes for Canadians at that time. We made the situation which existed during the war much more acute than it might have been, and I think it is perfectly obvious that if controls were removed the public-spirited private entrepreneurs would ship their commodities where higher prices prevail. There are other countries that are now prepared to pay higher prices for our building materials in short supply than the wartime prices and trade board regulations permit in Canada. I submit that we would have a chaotic situation in this country if the advice of the Progressive Conservative party were accepted in connection with the problem.

The former chairman of the wartime prices and trade board, Mr. Donald Gordon, in a radio address last November correctly outlined the problem that forced the government to take action with a view to preventing evictions for the time being, and he said that the position of landlords in Canada was not as they would have us understand. In his speech, referring to the landlords, he said:

> During the past few years he has had very few vacancies, practically no bad debts, and has cut down on decorating. As well, he has reduced renting commissions and saved some expense in unnecessary alterations and decorating which often had to be done previously to meet the whims of tenants when they were able to pick and choose.

Unfortunately our Canadian statistics do not tell us the story as far as the landlords in Canada are concerned, but in the United States the statistics over the past few years make it clear that the landlords there have had a profitable period all through the war. They have been able to pay attractive returns on their capital investments, and the fact that they had few vacancies and no trouble making their collections meant that they had a veritable gold mine. However, that set of circumstances does not curb their agitation with a view to getting rid of controls in the hope that rents might be forced to high levels and that real estate would change hands at even more highly inflated prices than now prevail.

My only comment would be to criticize the government for retreating so rapidly in this field. The federal authority should have retained firmer controls over supplies. They turned over to the municipal authorities the problem of deciding what was an essential building and what was not. I remember being in Fort William and Port Arthur last fall when the most essential type of building there seemed to be poolrooms, theatres and what have you. The municipal authorities said, "What would our position be in Port Arthur, for example, if we decided that we could not give a permit for a theatre because it was a non-essential building? The builders would immediately go to Fort William and would have the local citizens up in arms because the city fathers had driven away a project from the city."

The federal authority was the logical one to see that, while the housing situation continued as it was, our short supplies should be diverted first of all to provide adequate housing for the people who are so crowded in all our metropolitan areas and in the towns of rural districts across the country. I think, therefore, that the comments made by hon. members to my right fail to take into account the situation that now exists, and I am sure that the great majority of the Canadian people are behind the administration in seeing to it that rent controls are maintained and that the public are not compelled, until the housing situation has been greatly altered, to go on the streets without shelter over their heads, while those who have the largest bank accounts are placed in the position where they can get possession of the short supply of shelter.

In conclusion, the members of this group feel that they are advocating the retention of the democratic privileges of the citizen to the greatest extent by insisting that the people, through their elected representatives in the government, should retain those controls that will be successful in keeping the cost of living down for the people of Canada.

Mr. F. E. JAENICKE (Kindersley): I shall not detain the house at any great length. In fact, I had not intended taking part in the debate at this stage, were it not for the fact that this afternoon, when I attempted to ask a question of the hon. member for Lake Centre (Mr. Diefenbaker) at the conclusion of his address, I was told to make my own speech. That is what I am doing, and I shall briefly give my opinion regarding the constitutional question about which we have heard so much this afternoon.

But before I do that, I should like to refer to some other phase of the debate which we have heard, namely the disparaging references to the so-called bureaucrats. The exposition which we had last night was, I think, a disgrace to the house. After all, the so-called bureau-

crats are our civil servants. Being a member of the banking and commerce committee, I had the privilege of getting in contact with them and to me they appeared to be decent, intelligent civil servants who were trying to do what was best for this country. Are they not responsible to a minister who is, again, responsible to this parliament? Surely these so-called bureaucrats, as well as any other civil servants, are responsible to the minister and the minister is responsible to this house. While they have been vilified by hon. members, it appears to me that no specific charge was at any time made against any of them, unless it be a charge from this particular corner of the house when we complained that some controls had been lifted which should not have been lifted; and then, if I remember aright, those actions were always taken on the responsibility of the minister himself. If we recollect the experience which we have gone through during the war years and the two years since the war ended, it seems to me that we owe a debt of gratitude to these civil servants and these so-called bureaucrats.

As far as the constitutional question is concerned, I submit that the argument this afternoon had nothing whatever to do with the resolution before us. It seemed to be a jockeying for political advantage or position. I asked the hon. member for Lake Centre to read a certain part of the judgment that he had been discussing, which part is, I think, most important. When the Minister of Justice (Mr. Ilsley) on March 20 gave to this house the opinion of the deputy minister of justice, which opinion is quoted on page 1553 of *Hansard*, he dealt with the Agricultural Products Act and not with this particular resolution. The deputy minister of justice says in part, at the bottom of page 1553:

> The true test, according to this decision—

That is, the Canada Temperance Act decision.

> —is whether the real subject matter of the act goes beyond local or provincial concern and must from its inherent nature be the concern of the dominion as a whole. Such an act is within the competence of parliament though it may in another aspect touch upon matters specially reserved to the provinces. I should think that Bill 25 satisfies this test.

Bill No. 25 is the Agricultural Products Act. The deputy minister of justice came to this conclusion no doubt upon the following section of the decision, and I quote from the decision of the Canada Temperance Act case decided last year, as reported in Western Weekly Reports (1946) volume 2, page 6:

> In their Lordships' opinion, the true test must be found in the real subject-matter of the legislation: If it is such that it goes beyond local or provincial concern or interests and must from its inherent nature be the concern of the dominion as a whole, then it will fall within the competence of the dominion parliament as a matter affecting the peace, order and good government of Canada, though it may in another aspect touch upon matters specially reserved to the provincial legislatures.

As I said, the decision was quoted in the legislation concerning the Agricultural Products Act and has nothing to do with the present resolution which is simply one based upon the emergency powers of the dominion. The decision in the Canada Temperance Act case could not by any stretch of the imagination be used as authority for the dominion parliament to legislate upon this resolution. It could not be used as authority for the dominion parliament to legislate, for instance, about rent and tenancy. Therefore I think the discussion this afternoon was altogether out of place.

While I am on my feet, may I be permitted to refer to some remarks made by the hon. member for Trinity (Mr. Skey) the other night. He stated, as reported at page 1659 of *Hansard:*

> That is why today I choose to debate the subject that socialism is contrary to human nature.

That is his opinion. I may say that I respect his opinion and I hope he will respect mine. According to the studies which I have pursued in that particular realm, there are two schools of thought or two schools of philosophy. One school says that man, the human being, is an individual and always will be. The other school says that man is a social creature. I may say that I belong to the latter school and perhaps the hon. member for Trinity belongs to the former school. The first school is particularly represented by persons such as those he quoted as authority that socialism is against human nature, and that authority is Mr. H. L. Mencken of the United States, whom I consider to be the principal proponent of this philosophy and possibly the apostle of that famous German philosopher Friedrich Nietzsche. I have here the book of Mencken which is a sort of biography of this philosopher Nietzsche.

The hon. member also quoted Spencer, and while I will not go so far as Mencken to interpret Spencer, this is what Mencken says at page 192:

> Like Spencer before him, Nietzsche believed, as we have seen, that the best possible system of government was that which least interfered with the desires and enterprises of the efficient and intelligent individual.

Later on, at page 194 Mr. Mencken proceeds to prove some of the "freak legislation" that has been passed under democracy in some of the United States legislatures and even in congress itself. After he discusses this, he quotes the position in England and Germany, and this is what he says:

If, in England and Germany, the effect of universal suffrage has been less apparent, it is because in these countries the two upper castes have solved the problem of keeping the proletariat, despite its theoretical sovereignty, in proper leash and bounds.

If my hon. friend wishes to associate himself with this class of philosopher or with this school of philosophy, he is entitled to do so. But I believe that man is more a social creature. If you consider the annals of history from the earliest times to the present, you will see that he has made advances in his social connections and in his behaviour toward his neighbour. I fully believe that at one time or another socialism will be the ruling philosophy also in Canada.

I should like to refer here to a speech which was made almost fifteen years ago by Hon. Mr. Cahan, who was Secretary of State in the ministry of Mr. Bennett. It was during the debate on the so-called blank cheque legislation which was referred to the other day by the hon. member for Quebec South (Mr. Power). In this debate the then leader of the opposition, the present Prime Minister (Mr. Mackenzie King), had implored the then Secretary of State to make his influence felt so that this legislation would not pass, because it would create a terrible precedent for some socialist government that at some time or another might hold sway in this parliament. The following day Mr. Cahan replied to that challenge, and this is what he said, as appears at page 1634 of *Hansard* for April 1, 1932:

But the right hon. gentleman says if we follow the precedents established in the mother of parliaments we must look forward to the time when there may be socialistic control of this parliament of Canada. I do not wish to refer to myself personally—I have passed the age of three-score years and ten and I appreciate very keenly that my mentality, my prejudices and my predilections are born of the times in which I have lived and the vicissitudes of my own personal life—but I do not look forward with any fear or shrinking to the development of socialistic institutions in this country on a proper basis. I recognize that the strain and suffering through which we have passed and are passing has already borne fruit in remedial measures, socialistic in their tendencies, and those who are younger than I may well look forward to the time when those whose views are more socialistic than mine will assume the reins of government in this country. When they do they will assume the reins with the voice of a great majority of the Canadian people as manifested at the polls, they will assume office under our parliamentary institutions, not by force and violence, not by bullets and bayonets, but by the voice of the democracy of this great country. In that democracy, although I shall not live to see its development, I have the strongest possible confidence, and I think it would be a shame indeed if any minority in this house at any future time should attempt to thwart the views of the people, should attempt to thwart necessary and essential socialistic reforms by such procedure as we have witnessed in this house during the past few weeks.

To be charitable, Mr. Speaker, I believe the majority of the members of the party to my right are Conservatives like Mr. Cahan, and that when the time comes they will graciously bow to the will of the majority of the Canadian people.

Mr. SPEAKER: Is the house ready for the question?

Mr. LOW: On a point of order, Mr. Speaker, this afternoon the hon. member for Macleod (Mr. Hansell) was prevented from taking part in this debate on the ground that he had moved the adjournment of the debate on the evening of March 20, and that therefore he was considered as having spoken once at that time. I should like to point out that the hon. member for Macleod did not speak on the resolution, and I cite Beauchesne, third edition, page 92—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but he knows perfectly well that rulings made by the Speaker are not debatable; and, moreover, I do not believe the hon. member has a point of order. I would call his attention to citation 108 in Beauchesne, second edition:

The Speaker decides the questions of order only when they actually arise . . .

The hon. member is discussing a ruling I gave this afternoon, and I suppose he wants me to revise a ruling I have already given in connection with a situation which was settled at the time. I do not believe the hon. gentleman has any point of order. Moreover, I am sure my hon. friend is familiar with the rule that he should not discuss a ruling given by the Speaker. That ruling was given this afternoon. If the hon. member who was called to order at that time because he was not entitled to speak twice did not agree with the ruling of the Speaker, it was the privilege of that hon. gentleman to appeal the decision, which followed a ruling given by a previous Speaker. An appeal was not taken at the time. The matter has been settled, and I do not believe the hon. member has any grounds for rising to a point of order.

Mr. LOW: I would ask your pardon, sir, for continuing, but my point of order is that Your Honour has not the right to put the question on the resolution until every hon. member who wishes to speak to the resolution has had an opportunity to do so. I submit that the hon. member for Macleod has not had an opportunity to speak and that he has a right to do so, according to citation 216 at page 92 of Beauchesne's Parliamentary Rules and Forms, third edition, which reads:

> On resuming an adjourned debate, the member who moved its adjournment is by courtesy entitled to speak first if he rises in his place when the order is called, but if he does not avail himself of this privilege he is not thereby debarred from subsequently joining in the debate.

I submit that the hon. member for Macleod has not spoken, and that therefore the motion should not be put until he has had an opportunity to do so.

Mr. SPEAKER: If the hon. member for Peace River will look at the end of citation 216, which he has quoted, he will see the letters "Hd.", which mean it is taken from the British *Hansard,* that it is a rule of the British House of Commons. If the hon. member had taken the standing orders of our own house he would have seen standing order 1, which is applicable:

> In all cases not provided for hereinafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this house.

When we have no rule to cover a question which is raised in this house we follow the rules which apply in the British house; but since we have a rule to cover the case in which the hon. member is interested, and since this afternoon I followed a ruling given by a speaker of the House of Commons of Canada, the rule followed in the British house does not concern this house. So I repeat that the hon. member for Macleod, having moved the adjournment of the debate on March 20, according to our rules is considered to have spoken once on the resolution; and, since he is not the mover of a substantive motion, he is not entitled to speak twice.

I shall now put the motion. Is it the pleasure of the house to adopt the motion?

Mr. COLDWELL: Would you put the yeas and nays?

And the yeas and nays having been called:

Mr. SPEAKER: Call in the members.

The house divided on the motion (Mr. Ilsley) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Archibald
Argue
Arsenault
Baker
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blackmore
Blanchette
Boivin
Bonnier
Boucher
Bourget
Bowerman
Bradette
Bradshaw
Breithaupt
Bridges
Brooks
Brown
Brunelle
Bryce
Burton
Cardiff
Casselman
Castleden
Charlton
Chevrier
Church
Cleaver
Cloutier
Cockeram
Coldwell
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Cruickshank
Daniel
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Drope
Dubois
Emmerson
Eudes
Fair
Farquhar
Fleming
Fontaine
Fournier (Maisonneuve-Rosemont)
Fraser
Fulton
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Graydon
Green
Hallé
Harkness
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Herridge
Hlynka
Homuth
Howe
Ilsley
Irvine
Isnor
Jaenicke
Jean
Johnston
Jutras
Kidd
Knight
Knowles
Lafontaine
Langlois
Lapalme
Lapointe
Laurendeau
Leger
Lesage
Little
Lockhart
Low
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford city)
Macdonnell (Muskoka-Ontario)
McGarry
McGregor
McIlraith
McIvor
McKay
Mackenzie
MacKinnon
MacLean
McLure
MacNaught
MacNicol
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew

Menary
Michaud
Miller
Mitchell
Moore
Mullins
Murphy
Nicholson
Nixon
Parent
Pearkes
Pinard
Probe
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Bruce)
Ross (St. Paul's)
Rowe
St. Laurent
Senn
Shaw
Sinclair (Ontario)
Sinclair (Vancouver North)
Sinnott
Smith (Calgary West)
Stanfield
Stephenson
Stewart (Winnipeg North)
Stuart (Charlotte)
Stokes
Strum, Mrs.
Timmins
Townley-Smith
Tremblay
Tucker
Viau
Warren
Webb
Weir
White (Middlesex East)
Whitman
Winkler
Winters
Wright
Wylie
Zaplitny—180.

NAYS

Messrs:

Dorion
Hamel
Héon
LaCroix
Pouliot
Raymond (Beauharnois-Laprairie)—6.

Mr. MERRITT: Mr. Speaker, I did not vote. Had I voted I would have voted for the motion. I did not vote because it appeared from the tone of some members of the house that my vote for the simple motion that you leave the chair would be taken as a vote for socialism, or something other than the motion itself.

(Translation):

Mr. GAGNON: Mr. Speaker, I was paired with the hon. member for Labelle (Mr. Lalonde). Had I voted, I would have voted against the motion.

Mr. LACOMBE: Mr. Speaker, I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted, I would have voted against the motion.

(Text):

Motion agreed to and the house went into committee on the resolution, Mr. Macdonald (Brantford City) in the chair.

Mr. HANSELL: Mr. Chairman, I do not rise to continue the speech that I was making this afternoon. I prefer to do that on the second reading of the bill. I rise to ask a question of the minister since we are now in committee. When the bill is brought down, should parliament decide by amendment to change any clause in the bill or any clause in the schedule against the minister's will, will he or the government consider that a want of confidence motion?

Mr. ILSLEY: If the government opposes the amendment and the house nevertheless votes in favour of it, that would have to be taken as a vote of want of confidence in the government.

Mr. HANSELL: Then I suggest, Mr. Chairman, since now we can talk as man to man across the floor, that that puts us in a precarious position in the light of what the minister has already said that there will be a column in the bill for amendments. That is, to my mind, an important point.

Mr. ILSLEY: Just a moment. The government may accept amendments, of course, but the answer I gave is substantially the correct one. There may be some detail, some very small provision, where that would not be the case, and the position would be made clear at the time. But an important amendment of any kind which the government opposed but which nevertheless the house voted for would imply want of confidence. The rules that will apply to this bill in committee are the rules that would apply to any other bill.

Mr. HANSELL: I point out a further detail. The schedule contains orders in council. There are in the orders in council some things to which we absolutely take exception, even though granting in principle that the government may have certain powers. For instance, take rent control. The regulations governing rent control are, to my mind, simply terrible. During an emergency period we must have a certain control of rents themselves but these regulations go much farther than that. They give the right to officials to walk into your house and cut it up. They may look at a room and say, "Do you mean to say that you two people occupy this room alone?" "Oh, yes." Then they can say, "It is too big. Cut it in half so that somebody else may live in the other half."

Mr. MITCHELL: Has that ever been done?

Mr. HANSELL: No, it has not been done.

Mr. MITCHELL: Well, let us be sensible.

Mr. HANSELL: We are not passing regulations on the basis of what has been done or whether we think it will be done. We are passing regulations on the basis of giving the government power to do these things. What I want to know is whether the government

will consider it a vote of want of confidence in the government if the house votes to change a thing like that.

An hon. MEMBER: Order.

Mr. HANSELL: Who is hollering "Order"? I am not out of order.

Mr. ILSLEY: The rules with regard to amendments of this bill will be no different from the rules with regard to the amendment of any other bill that comes before the house, and I do not think there will be any question at the time as to whether the situation is one in which the vote implies confidence or want of confidence in the government. This bill is not any different from any other bill. There will be opportunities for amendments to be proposed to the orders in council which are in the schedule to the bill, and the ordinary rules of parliamentary practice and procedure will apply.

The CHAIRMAN: It seems to me that the committee has been anticipating what will be before the chair when the bill is in committee. We are not at this stage discussing the bill. We are discussing a resolution, and the only discussion which should take place at this time is discussion respecting a resolution. Is it advisable to bring in a bill based on this resolution? That is the whole question. What will be in the bill must be left for discussion when the bill itself is before the chamber.

Mr. GREEN: I submit, Mr. Speaker, that that ruling is severe. We are entitled to ask questions about the whole nature of the measure to be brought down, and such a ruling makes discussion impossible. I submit that we should not be hampered by any restrictive ruling of that kind.

The CHAIRMAN: The only matter before the committee at the present time is the resolution. The committee does not know what the bill will contain. When the bill is before the house it can be discussed. At the present time we have a resolution and the discussion should be strictly relevant to the resolution. Is it advisable to bring in such a bill? The hon. member for Eglinton.

Mr. FLEMING: We in this party, Mr. Chairman, attach considerable importance to this stage of the discussion with reference to this measure. As indicated this afternoon by the hon. member for Peel, speaking for this party, we desire in committee on this resolution to elicit, not necessarily from one minister alone but from the government, important information with reference to the controls, the power to continue which is sought by the government in the bill referred to in the resolution.

I raise a point at this stage in the hope that one might make some contribution now to orderly procedure in the committee. We want to have the utmost information so that when the stand of this party is taken on second reading of the bill it may be, as I said the other day, a discerning and discriminating stand. We have a resolution which contemplates the introduction of a bill, and we have been told already that the bill is intended to give statutory effect for a temporary period of some fifty-seven orders in council. There are many questions which we in this part of the house would like to ask with reference to the controls which will be continued as a result of that bill. Is it your thought, Mr. Chairman, that we should just take those measures in the order in which they appear in the volume which has been circulated, or take them as members rise in their places? To give a concrete situation, I have half a dozen orders on which I should like to ask a number of questions of more than one minister opposite. I am raising this point now in this way in the hope that one might make a contribution to as orderly a procedure as possible in this committee. You can well understand that if questions come one after another in matters referred to or contained in fifty-seven different orders it may be highly confusing to the house. If it were acceptable to you, Mr. Chairman, and the committee I should be glad to start with rent controls. I have a number of questions on rent controls.

The CHAIRMAN: I am in the hands of the committee. I can only repeat what I stated previously, that it is not in order at this time to discuss the bill or what the bill is to contain. We should discuss at this time just the principle whether it is advisable or not. The wording of the resolution is that it is expedient to introduce a measure to provide, et cetera. At this moment the committee should consider whether or not it is expedient to introduce such a measure.

Mr. FLEMING: So far as the Progressive Conservative party is concerned, the expediency with relation to the introduction of such a measure depends, as has already been indicated, upon each of these controls and the case made for it. That is why, in our opinion, it is so important that the fullest information be given the committee by the government with respect to each of these measures on which members seek information—and there is much information that is sought. There is

the further point, and I speak, I hope, with the deference that becomes a new member of the house, that it is surely in keeping with the procedure followed on other measures, the introduction of which has been preceded by a resolution of the kind now before us, that the fullest opportunity should be provided at the committee stage on the resolution for the asking of questions and obtaining all available information from the government as bearing upon the question of expediency of the introduction of the measure which the government is asking leave to introduce. With that in mind, I should like to ask a number of questions. It does not matter whether the Minister of Justice or the Minister of Reconstruction and Supply answers these questions, but I have a number of them with reference to the matter of rent control. I can ask them seriatim or, if it is more convenient, I can indicate a number of them in a group.

Mr. HOWE: If I may interject an objection, the minister who is responsible for rent control is not in the house at the moment. I suggest that the list of orders in council furnished to hon. members is not officially in their hands. It is a preview of the bill and was given as a matter of convenience to hon. members. It seems to me irregular to discuss the bill in the resolution stage and I think, Mr. Chairman, your ruling was quite correct.

Mr. GREEN: I would point out that it is quite irregular also to bring in fifty-seven measures in one. We are facing an unusual situation. It may be that was the only way these measures could be brought in; but, that having been done, I suggest to the ministry and to all members that the reasonable way to proceed now would be to allow questions with regard to these orders in council. It may take a little time, but in the long run it will save time. With regard to your suggestion, Mr. Chairman, I would point out that the resolution reads:

> That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period . . .

The Minister of Justice very properly, I think, gave us a list of these orders in council and there have been two added since which deal with radioactive substances. I suggest that the discussion now would be meaningless unless we were able to ask questions about the orders in council. I would appeal to the ministry to support that stand. Let us carry on here and we will work out a reasonable procedure as we go along. I do not think anyone has any desire to go into every little detail about every order in council, but there are certain broad questions that should be asked and answered, and I suggest to you, Mr. Chairman, that this is the stage at which that should be done. I have three or four questions of a general nature which I think will help later in the consideration of the bill.

The CHAIRMAN: The hon. member for Vancouver South has said that there are certain—and I think these are the words he used—broad questions of a general nature which he would like to ask. I think that would be perfectly in order on the resolution. The point I endeavoured to make was that we should not anticipate the bill any more than is absolutely necessary and that we should not at this time go into discussion of the bill. The bill will eventually come to the committee and then it can be discussed. But broad questions of a general nature could, I think, be asked at this time.

Mr. BOUCHER: The resolution reads:

> That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations.

As I understand it, that word "certain" means something specific. If, as the Minister of Reconstruction and Supply has stated, the index or the compilation of the orders in council which has been provided to us has no legal significance, not having been submitted to us personally, I think we should then rise and ask him what certain orders and what certain regulations will be included in this bill. Then I think we should ask him what certain duties and what certain officials are to be continued by the act. I do not think the members of the house should be asked to come into committee on a resolution, having approved the resolution, to discuss certain regulations and certain orders in council without knowing what the certain regulations and certain orders in council are. If we are to discuss the broad principle of controls, the broad principle of bureaucratic government, or the broad principle of having the minister hire officials, fix compensation for officials, let the officials have certain varied or extensive duties, then, of course, there can be some meaning to this resolution. But actually, as I see it, there can be no meaning whatsoever to a resolution if it is to bar discussion about certain things which the government in its discretion has decided to put into the resolution. How can we discuss it?

Mr. FLEMING: I think the Minister of Justice, who had jurisdiction over rent control for so long, can answer the questions I should like to put to him on the subject of the regulations pertaining to the freezing of

tenancies of housing accommodation. There are two cases in particular which have been raised, not once but a number of times, in the house, and as to which I wish to ask the minister if he can give some indication of the intention of the administration. The first has to do with the purchase of houses by veterans. An order announced in the house on February 24 by the Minister of Finance to the effect that owners would be permitted to obtain occupancy of houses purchased within a period beginning late in 1944 and extending into 1945. My question is on broader ground than that. Where a veteran has made a bona fide purchase of a house for his personal occupancy, is it the intention that the present order should be continued so as to deprive him, unless he happens to have purchased within the particular period to which I have referred, of the right of occupancy of his home?

Mr. ILSLEY: I think it is important, Mr. Chairman, that we should agree as far as possible on the line of procedure to be adopted. Otherwise too many weeks will be taken up getting through with this measure. While that cannot be helped if the discussion is necessary, we should take a course of procedure which will avoid double discussion. I agree with the hon. member for Carleton that if we are asked what orders in council are to be continued under this legislation, we must tell the committee what the orders in council are; and I would say at once that they are the fifty-seven orders in council which have been printed and circulated to the members of the house.

Mr. KNOWLES: Plus two more.

Mr. ILSLEY: Fifty-seven altogether. Then, I think if we go at all into the specific provisions of these orders in committee of the whole on the resolution, we shall have a duplication when we reach the bill; because the possibility is that certain amendments will be proposed in the bill and that the provisions of the orders in council will be discussed again when we are in committee of the whole on the bill. I think this is different from the procedure which was adopted on the war appropriation acts. When they were before the house, we did fall into a procedure—and perhaps not a very good one—whereby discussion took place, usually for months, on the resolution, and then the bill usually went through the house within a day or two. But that was much easier to do there than here, because here, when we reach the bill, we are dealing with a large number of specific orders in council, and inevitably we shall have a repetition of the discussion then. Probably we cannot be strictly logical and consistent about the matter. Perhaps the right course to adopt is to confine the questions at this stage to broad general questions, keeping them down to as low a number as possible, and leave the more detailed questions to be asked when the bill is introduced. The procedure that is being followed here of appending fifty-seven orders in council, the number of orders in council that it was desired to continue, is, of course, unprecedented in this sense, that never has there been a situation like this to be dealt with by parliament. But I think I should point out that it is not the same kind of situation as would arise if we were attempting to introduce fifty-seven new pieces of legislation. All these orders in council are already the law of the land, and some of them have been the law of the land for seven or eight years. It would of course, be improper, if we were proposing new measures, for us to lump them together like this and cover them by one bill. But the situation is different when we are, in effect, saying that everything shall lapse but these orders in council which are already the law.

I also wish to say what I said the other night about other countries that have had the same kind of situation to deal with. Two other countries had an analogous situation, namely Great Britain and Australia, and they found, upon consideration, that this was the only way to deal with it; so they introduced bills of this type with a large number of regulations in the schedule. Provision was made for amendment of these regulations in the bills they introduced, and there were some amendments.

Perhaps the government should give a little further consideration to what might be the proper procedure to follow, so that I could state the view of the government tomorrow. Tonight I would be prepared, as far as possible, to answer questions, provided that they are of a general nature rather than concerning details. This question of the intention of the government with regard to the recovery of houses by ex-service owners is one on which I shall have to send for information from the Minister of Finance, and this illustrates the difficulties of this line of procedure. That, of course, is not something I can answer at all myself; I shall have to send for that minister, and get officials. If we were dealing with these seriatim and regularly, order by order as they are in the schedule, we would not have any such difficulty; we would start and go through them, and the minister would be here with his officials until his orders were dealt with and concluded. Anyone in the house who wanted to propose amendments

could do so; the government could either accept or reject the amendments, or they could be voted upon. Then the matter would be wound up and finished. It is pretty hard to do that here, when one hon. member gets up and asks about the eviction order; another gets up and asks about the order in council relating to old age pensions, and so on. If we are not careful we shall have no order here, and, moreover, we may have a great deal of duplication.

Mr. FRASER: Is that the procedure you intend to follow when you bring in the bill?

Mr. ILSLEY: When the bill is in committee we propose to take up these orders seriatim.

Mr. GREEN: Perhaps a procedure something like this would work out. We might ask the Minister of Justice, who is in charge of this resolution, general questions first and then go on to question the different ministers. The orders in council are grouped under the different ministries, and after a general questioning we might go on and question each minister about his group of orders in council. Perhaps a procedure along those lines would be satisfactory to all parties in the house.

Mr. KNOWLES: I wonder if I might try a suggestion, which would be that we rise and report progress, go on and deal with something else, and call a conference of the various groups to see if some arrangement could be worked out. Such a conference need not be limited to the leaders and the whips; there might be several from each party.

Mr. GREEN: We have an hour and a half to go tonight, and we might go ahead with general questions. Then a conference can be held tomorrow in regard to further procedure.

Mr. MITCHELL: Are you not in the position that you are trying to have a wedding without the bridegroom?

Mr. GREEN: Who is the bride?

Mr. MITCHELL: You were a fine kind of bridegroom this evening, talking against everything and voting for it.

Mr. GREEN: We are getting on pretty well; leave out the cheap politics.

Mr. SMITH (Calgary West): Lay off; you are hurting the thing, not helping.

Mr. MITCHELL: No, I am not. I just want to put forward this point of view. How can you discuss an order in council if it is not before you? These orders are not before us. It seems to me that we have to deal with the resolution now, and I do not think you can ask detailed questions until we have the orders in council in committee. In my judgment, just to talk about the thing in a general way is a waste of time.

Mr. GREEN: We have the orders now.

Mr. MITCHELL: But they are not before this committee.

Mr. GREEN: Yes, they are.

Mr. MITCHELL: Oh, no, they are not.

Mr. GREEN: In a kindly way may I say we have read them all.

Mr. MITCHELL: Let the simple people have their turn. The lawyers have been at it all evening.

Mr. BOUCHER: I think the Minister of Justice and the Minister of Labour had better get together. The Minister of Justice has admitted that the certain orders and regulations are those contained in the index and the compilation we have before us. That being so, I do not see how the Minister of Labour can get up and say that because we voted to go into committee on a resolution we voted against the principle of anything the members on this side have spoken against. How can he make his argument consistent?

While we are dealing generally with the resolution, may I ask the Minister of Justice if it is the intention of the government to leave the same men in power, with the same regulations they have administered, with the same duties to perform and the same powers, and to continue the same restrictions we have had in the past? I would submit that, if so, we shall be continuing wartime regulations, bureaucratic administration and bureaucratic legislation two years after the end of the war. So that at this stage I think the minister should be able to tell us he is going to bring about some moderation, some lessening of bureaucratic control, some restriction of the powers of various boards, not responsible to parliament, to make and interpret law which the people must obey.

Take the situation in regard to rents, for instance. Today I do not believe five per cent of Canadians, and I doubt if ten per cent of the officials administering rental control, know exactly and precisely what the law is with regard to evictions. During the last few days I personally have had great difficulty in getting anyone in Ottawa to answer certain questions, and I know there is confusion throughout this city as to what is required to raise rents, renew leases, terminate leases, evict tenants, get

possession of homes, disqualify tenants from homes on the grounds of abuse, and multifarious other matters.

My point in rising at this time is to express the opinion that, before we are through with this resolution in committee, we should know exactly and in great detail to what extent if any the Minister of Justice is prepared to lessen controls, reduce the powers of appointed officials, and remove the impediments to freedom and life and freedom of action in this country. I wonder if at this stage, in a very general way if you like, the government could not give us some indication that they realize that some of the regulations and restrictions under these fifty-seven items should be moderated or abandoned altogether.

Mr. ILSLEY: I do not know just how to answer a question like that, containing the usual references to bureaucrats and bureaucracy, words which are terribly overworked in this house.

Mr. BOUCHER: By the government.

Mr. ILSLEY: No, I say words which are terribly overworked in this house. A great many men, who are great public servants and who have rendered magnificent service to this country, are abused on the ground that they are bureaucrats. They are indiscriminately abused by certain hon. members who ought to know better, and I get very tired of hearing this indiscriminate abuse from them.

What I was going to say was this: The hon. member for Carleton asks whether I can give any indication about the future course of controls. I thought I covered that rather fully in the speech I made when I introduced the resolution. What controls will be imposed will depend upon the provisions of these orders in council which are continued. Very large numbers of orders in council are being dropped altogether, as the hon. member knows. With regard to the personnel, agents, officers and servants, in the main they will continue to be the ones who will administer these orders in council. It could not be otherwise. I do not know what is in my hon. friend's mind when he suggests anything else.

Mr. MACDONNELL (Muskoka-Ontario): I should like to follow the hon. member for Carleton, because I have the same point in mind. I would put a specific case to the Minister of Justice. Here we have orders in council setting up the wartime prices and trade board. I have before me the interpretation clause which, among other things, defines "offence". An offence, among other things, is a contravention of an order. And an "order" is set out in paragraph (k) of the section. This interpretation clause gives a long list of orders. Then we go all through the powers of the board and the obligations of citizens.

What I wish to ask is this: We are coming to the end of, or are gradually working out of, this situation. Is it necessary that all these powers, which I think we agree were necessary in war time, should be continued? Must we continue these powers? It is extremely easy for a citizen to break the law without knowing he is doing so. When I read the enforcement section of the report of the wartime prices and trade board, one of the unpleasant things I find is that, with this multitude of orders, there is an enormous number of people, ordinarily law-abiding citizens, who now find themselves, sometimes willingly I am afraid, but also sometimes perhaps unknowingly, breaking the law.

My question is this: With this huge body of orders and regulations, is there no thought of ameliorating them or softening them in any way, or are we to keep this huge body of orders and regulations to deal with what I would assume is at any rate a much smaller situation than we had before?

I might apply the same question in respect of other orders in council, but the question I have asked will indicate that I have in mind the same principle which was discussed by the hon. member for Carleton.

Mr. ILSLEY: It must be remembered that a very large number of orders are being revoked. As hon. members know, the number of orders outstanding was very great. As I said to the house, a committee of civil servants, of which the Solicitor General was chairman, was working on these orders, and they have been working on them since the middle of 1945. They have succeeded in eliminating by far the greatest number of them. So that the number, which originally was several thousand—I cannot give the exact number—has been reduced to these fifty-seven.

These orders have been examined and amendments have been the result. There were many amending orders in council before they were reduced to the form in which they are now found. We think the provisions of these orders in council are substantially all necessary at the present time. If, after examination in committee, hon. members feel that they are unnecessary, and if we are not in a position to give reasons why they are necessary, then a good case would be made for deleting them. But I do not know of such cases.

Mr. MACDONNELL (Muskoka-Ontario): Did I understand the minister to say that recently, when these orders were being consolidated to be put forward as a schedule to the bill, they were at that time scrutinized to see whether changes should even then be made?

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): To accommodate them to the new situation?

Mr. ILSLEY: That applies to the more important orders; I cannot speak as to the less important ones. But some of them were amended with a view to presentation to the house. That is, they were amended in such a way as to drop out sections which were no longer necessary.

Mr. MacINNIS: It seems to me that the question before us is more one of procedure, so as to expedite the business in which we are engaged. As I watched the debate in the last few days I was comparing it with the work of the "Big Four" in Moscow. I think, really, there was a great deal more agreement among them than I have seen in this chamber. After all, I am pretty sure that if my hon. friends to my right had an opportunity to do so today, they would not abolish offhand these orders in council.

That being so, I was going to say, "Let us be honest". I will not say that; but I will say, "Let us be reasonable, and take it for granted that the government was elected and is responsible for running the affairs of the country".

During my years in the house I have seen legislation go through its various stages. My experience has been that at this particular stage, when a resolution goes before the committee there is not a great deal of time taken for the consideration of it, and for the very good reason that we shall have another go at the principle of the bill when second reading is moved. Then the bill goes to the committee; and, if I am not very far wrong, hon. members to my right can take clause after clause, paragraph after paragraph, in each order in council and worry it to death, if they like. In any event, they will have ample opportunity to deal with it.

That being so, why not let this go. I was called away from the house for a short time, but I understand that in the vote this evening most of my hon. friends voted for the resolution. Why not let us be reasonable, give up this obstructionism, and let this thing go through.

[Mr. Ilsley.]

Mr. GREEN: Mr. Chairman, it amazes me to hear the hon. member for Vancouver East talk about obstructionism, letting things go through and hurrying. If he will refer back to *Hansard* of March 20 he will find that the Minister of Justice and the leader of the opposition suggested that the resolution should be put into committee, right away. My leader and, I believe, the leader of the Social Credit group, were committed to that course. The leader of this party made that commitment, stating that we were not going to take the time of the house at that stage, but that we would let the resolution get into committee, reserving our rights to ask questions at that time, and to debate the principle of the measure on second reading. We were not committed either to approving or disapproving the principle.

Then who was it who rose in his seat and started a political dog-fight which has been going on since that time? It was the leader of the C.C.F.

Mr. MacINNIS: On a point of order, we had an important point we wanted to make, and we made it. My hon. friends did not have a point at that time, but now they have.

Mr. GREEN: There is no point of order about that; it is merely another political speech like the ones we have been listening to here for the last several days. They started this kind of thing; they have been making political speeches right through the debate while the Speaker was in the chair and it is most amusing now to have them come along and object to anybody else taking the time of the committee. It is just typical of the procedure they carry on. They pretend to be above politics and they are the smoothest politicians in Canada; they are playing politics all the time, not only here but out in the ridings, and I think the Canadian people are beginning to realize that that is the fact.

The CHAIRMAN: I think this—

Mr. GREEN: I am all through, Mr. Chairman.

Mr. MacINNIS: The political part of the hon. member's speech is all finished.

Mr. GREEN: You make your political speeches; why object to my making one?

The CHAIRMAN: May I ask the hon. member, as well as all hon. members, to deal with the resolution.

Mr. GREEN: There are two or three questions I should like to ask the minister. The first has to do with the time that this measure

will continue in force. As hon. members know, the National Emergency Transitional Powers Act which was passed in the fall of 1945 contained a provision to the effect that it would continue in effect until fifteen days after the commencement of the 1947 session of parliament. There was also a provision that the life of the act could be extended for a further period; but there was another unusual limitation inserted in the act which the minister will find in subsection 1 of section 6, reading as follows:

. . . for a further period, not in any case exceeding one year, from the time at which it would otherwise expire . . .

The words "not in any case exceeding" are very unusual, and I understand they were put in to make it absolutely certain that the measure would not be carried on past that time. Then in the 1946 session it was felt that the fifteen days was not a long enough time to permit legislation to be put through the house, and I think that was perfectly correct. An amendment to that section was passed extending the period to sixty days; but again we have the words, "not in any case exceeding one year," which would mean until the spring of 1948. Is that to be the limit under the new legislation? Is there to be any power taken to carry on the bill to be brought down past March 31, 1948?

Mr. ILSLEY: There will be in the proposed bill a provision identical with the provision in the original bill and the amendment *mutatis mutandis.*

Mr. GREEN: In English or French, does that mean that the bill may be continued until March 31, 1949?

Mr. ILSLEY: If addresses are presented to the Governor General by the Senate and the House of Commons respectively the bill may be continued beyond March 31, 1948, but not for a period exceeding one year. That is the same provision as is in the present bill.

Mr. GREEN: That means that the bill we are being asked to enact may be in effect until March 31, 1949?

Mr. ILSLEY: If parliament so orders by passing addresses.

Mr. GREEN: I realize that, but I just wanted to have it clear whether it was to be until March 31, 1948, which was the time set by the National Emergency Transitional Powers Act, or whether it is to be March 31, 1949. I take it from the minister's answer the year will be 1949; that will be the latest date to which this act can be carried on.

Mr. HOWE: Parliament has the right to extend it. Surely my hon. friend would not agree to deprive parliament of that right. All that the bill provides for is the continuance of the controls until 1948.

Mr. GREEN: Then the government may direct—

Mr. HOWE: Parliament.

Mr. GREEN: Parliament—I am not trying to make any point here; I am simply trying to find out whether the thought is that the measure may be carried on until 1949.

Mr. ILSLEY: If parliament directs by two addresses, one by this house and the other by the senate.

Mr. GREEN: I understood the Minister of Justice to say the other day that no new orders in council were to be passed and that these fifty-seven orders in council were not to be amended by the government, that they could only be revoked; that the cabinet would take the power under the bill to revoke any one or more of these fifty-seven orders in council.

Mr. ILSLEY: In whole or in part.

Mr. GREEN: In whole or in part, but could not add anything to them; is that correct?

Mr. ILSLEY: That is correct; that is the case after this legislation becomes law. As to the period before this legislation becomes law, the other day I gave an undertaking that after March 31 no orders in council would be passed under the National Emergency Transitional Powers Act, which will be in force until May 15, in regard to matters which are not dealt with either by the orders in council in the schedule or in respect of matters covered by other emergency legislation.

Mr. GREEN: But at the lower level of the controller or the administrator there may be power to alter or amend. While an order in council cannot be changed, an order issued by a controller may be changed; is that correct?

Mr. ILSLEY: If the change is authorized by an order in council in the schedule.

Mr. GREEN: As I read the orders in council, they authorize whoever is given the power to pass orders to change those orders, to amend them.

Mr. ILSLEY: That is the usual provision, yes.

Mr. GREEN: And that power is to be continued?

Mr. ILSLEY: It is not changed.

Mr. GREEN: The controller or administrator who happens to be administering a particular field will not be affected?

Mr. ILSLEY: Will not be touched by this legislation at all.

Mr. GREEN: Take P.C. 3, which is the wartime industries control regulations, as an example. I understand that this is a general order in council giving certain powers to the controllers appointed by the department of reconstruction. Will there be any power to appoint new or additional controllers?

Mr. ILSLEY: That is a detail I could not answer. Whatever powers are conferred by the order in council may be exercised under that order in council.

Mr. GREEN: Perhaps the minister of reconstruction could answer that.

Mr. HOWE: If the order in council provides for a timber controller, there will be authority to appoint a timber controller. If the timber controller should resign there will be authority to appoint another timber controller, but it would not be possible to appoint a controller whose duties are not defined by the orders in council under this bill.

Mr. GREEN: Will there be any power in the minister of reconstruction to appoint additional controllers, to decide that there should be a controller of shipping? I cite that merely as an example. Will there be any power in the minister to appoint additional controllers, or are we to have only the controllers already appointed?

Mr. HOWE: Unless my hon. friend can find an order in council which authorizes the government to appoint a shipping controller, it will be impossible to appoint one.

Mr. GREEN: I used that only as an example.

Mr. HOWE: The only controllers who can be appointed are those for whom provision is made in the bill.

Mr. GREEN: Is it the intention of the government to appoint any additional controllers?

Mr. HOWE: I think the only continuing controllers under the industries control regulations are the controller of steel and the controller of timber. If that is true those are the only controllers the government would have authority to appoint.

Mr. GREEN: P.C. 3 provides:

"Controller" means a controller heretofore appointed and now in office, or hereinafter appointed by the governor general in council.

[Mr. Ilsley.]

That does not refer to any particular industry but is a general power vested in the governor in council to appoint controllers, and what I should like to know is whether it is the intention, under P.C. 3 or any other order in council, to appoint additional controllers.

Mr. ILSLEY: The question of the personnel to administer these orders will be dealt with in the bill. Are we not doing something unprecedented here, when discussing the resolution in committee, in running ahead and attempting to discuss the provisions of the bill? If we had had the first reading of the bill the hon. member would have it before him as well as the orders in council, and then he would be in a position to make up his mind if he is troubled about what he ought to do on the second reading.

Mr. GREEN: Let me put it in this way. We have certain controllers now. Is power to be taken to appoint additional controllers?

Mr. ILSLEY: There are no controllers in the wartime prices and trade board. I do not know exactly what a controller is, but I understand there are controllers under another order.

Mr. HOWE: Controllers are peculiar to the Department of Munitions and Supply and are continuing their functions under the Department of Reconstruction and Supply. At the moment there is only one controller. He happens to be controller of three branches. He is controller of timber, controller of steel and controller of priorities. He acts through deputies. The government may decide to appoint separate controllers in these branches, and it probably will if it can find the proper personnel. It is free to do so under the bill, for the reason that these controllers are set up by order in council and the government has the power to appoint them.

Mr. GREEN: I agree that at the present time there is power to appoint a steel controller and a timber controller. Is power to be taken to appoint controllers of other materials?

Mr. HOWE: There is no such provision in the order in council.

Mr. GREEN: It is not the intention to take power to appoint more controllers?

Mr. HOWE: No.

Mr. GREEN: I would ask the Minister of Finance whether power is to be taken to appoint additional administrators or to set up new administrative branches under the wartime prices and trade board, or are we

dealing with a structure which is not to be extended but, on the contrary, will be cut down?

Mr. ABBOTT: There are certain provisions in the bill which relate to the administration of the various orders that will be annexed, but as my colleague the Minister of Justice has said I suggest that it is perhaps not entirely appropriate to discuss the provisions of the bill until it has been given its first reading. There is, I understand, no substantial change in the provisions of the wartime prices and trade board order as it now stands, which will be one of the orders in council annexed to the bill, but I cannot say at the moment that there is no provision in the bill to provide for a new administrator of, let us say, some form of textiles or something of the kind. I am not in a position to answer that. I repeat, I think it would be better if we dealt with that type of question when we have the bill before us.

Mr. GREEN: But the principle is important. It is whether the government is retaining power to appoint administrators over new materials. You have an administrator now, let us say, of textiles perhaps and wholesale goods. Is power to be taken to appoint entirely new administrators? We want to know whether this is to be on a diminishing scale or whether the government is taking power to extend the number of administrators?

Mr. ABBOTT: My hon. friend can take it without fear of contradiction that it is very much on a diminishing scale. The wartime prices and trade board set-up is now a fairly comprehensive one, with administrators or with officers fulfilling the duties of administrators in most of the major fields in which the board has control of prices. But to say that there is not power to appoint an administrator to replace an existing administrator is something I cannot say at the moment, but I can give the assurance that there is no expansion of the functions of the board contemplated but rather a marked contraction of those functions.

Mr. KNOWLES: If the hon. member for Vancouver South would permit me to ask a question on the same point before he resumes, I would ask the Minister of Finance, is it not true, in spite of what he has said about the intentions of the government, that there will be in the order annexed to the bill power to extend the application of price control in case it should be necessary? I am not asking about the intentions but about the powers of the bill.

Mr. ABBOTT: I cannot answer that. I again suggest that when we have the bill before us we can look at it and look at the orders in council annexed to the bill. Then the Minister of Justice or myself or the Minister of Reconstruction will have to answer every proper question that is put. But it is difficult, under the rules of the house, to answer questions now until we have the relevant bill and the orders before us.

Mr. GREEN: Another question has to do with the fifty-sixth and fifty-seventh orders in council. Perhaps the government would have been wise to keep it at fifty-five, because fifty-seven has unpleasant connections. But these two additional orders in council have to do with a reserve of radioactive substances. The first of them has to do with radioactive substances that may be discovered in Yukon, and the other is similar to it but applies only to the Northwest Territories. As I understand the effect of the orders in council, it is that, although the prospector may go and locate a claim and under statute law applying to Yukon get title to all the minerals in that claim, this particular order in council reserves the radioactive substances, so that he cannot get title to them. I am not quarrelling with the order in council containing that provision. It probably is a wise plan. But why should that be carried on in a temporary measure of the type of this bill? Surely that condition is going to apply for many years. I do not understand why the government does not bring in an amendment to the Yukon Quartz Mining Act reserving radioactive substances, or an amendment to the Atomic Energy Control Act, which this house passed last year. In the latter act there are certain powers. Under section 8, paragraph (c), the board has power, with the approval of the governor in council, to acquire or cause to be acquired by purchase, lease, requisition or expropriation, prescribed substances and any mines, deposits or claims of prescribed substances; and under section 9, subsection 1, paragraph (c), the board may, with the approval of the governor in council, make regulations respecting mining and prospecting for prescribed substances. Obviously this provision reserving radioactive substances to the crown is of a permanent nature, and it would seem that that should be covered by an amendment to the statutes and not by continuing an order in council for a period of a year or even two years. Why is it necessary to put these two orders in council in this bill?

Mr. HOWE: The question is a reasonable one. At the last session the house passed permanent legislation for the control of

atomic energy and gave the atomic energy board the right to pass regulations. My hon. friend is quite right in saying that this provision could be covered by a regulation of the atomic energy board or, failing that, an amendment to the Northwest Territories Act.

Mr. GREEN: The Yukon Quartz Mining Act.

Mr. HOWE: Yes. However, the question as to whether radioactive substances should be controlled in the ground or not is a matter of debate at this moment before the atomic energy committee of the united nations. There is a sharp difference of opinion on the subject. I may say that Canada is not urging that radioactive substances be controlled in the ground. Canada would prefer to rely on the provisions of the Atomic Energy Control Act which provide that after radioactive material is produced it should fall within the control of the atomic energy board. The United States takes a different view and the atomic energy act of the United States—I have a memorandum on the subject—actually reserves title to uranium, thorium, et cetera in public lands. It was felt that the situation at the moment is such that Canada did not wish to legislate in a permanent way for the control of these substances in the ground. It preferred to regulate every type of control but, while the subject is rather hotly debated in the committee, it was felt that it would be wise to continue the regulation by order in council, which does control these materials in the ground, with the thought that, after a decision has been made, either the order in council can be dropped and we can rely on the present regulations of the atomic energy board, or we shall amend the regulations of the atomic energy board to provide for the control of radioactive substances in the ground.

Mr. GREEN: Is that stand not inconsistent with the terms of the Atomic Energy Control Act? As I said, the atomic energy control board was given power over prospecting, for example. Nobody can even prospect for radioactive substances without approval of the board. Now the minister says that Canada takes the position that she is not interested in the radioactive substance in the ground but only after it has been extracted. Has there been a change in government policy in connection with the raw material?

Mr. HOWE: There is no change, but the nations are divided rather sharply as to whether control of radium and thorium should extend to control in the ground. Some countries believe that anyone should be free to prospect for thorium or uranium and even mine them as long as the material passes into the control of its regulatory body as soon as it is mined, and that, I think, is the view of the atomic energy board of Canada. Nevertheless, while there is a sharp difference of opinion on the point, and while it is hoped that a common viewpoint may result, Canada does not like to change the position at this moment. Perhaps a month from now we shall be able to do so; perhaps two weeks from now. When the decision is reached we would like to take whatever action may be consistent with the view of the atomic energy committee.

Mr. GREEN: The government policy at the moment is that the prospector is free to prospect for radioactive substances without interference?

Mr. HOWE: No. At the moment the situation is governed by this order in council to which my hon. friend refers, which says that all prospects, all indications must be reported to the atomic energy board and that mining can be done only by the government in the Northwest Territories and in Yukon. But that is covered by an order in council which we wish to extend temporarily, with the thought that in a month or two we shall know whether we wish to drop that position, which we can do by cancelling the order in council, or whether we wish to turn it into permanent legislation, which we can do.

Mr. GREEN: At the moment, government policy is in favour of allowing free prospecting. That is the policy the government believes should be effected eventually?

Mr. HOWE: Yes.

Mr. GREEN: One other question. It has to do with the question raised by the hon. member for Vancouver East on March 10. He brought to the attention of the Minister of Reconstruction and Supply the fact that there were 1,600 completed houses available in Bremerton, Washington, for sale to people in British Columbia, to be used as emergency shelters, and the minister said at that time that he was having exhaustive inquiries made into the situation and would be able to report at a later date. Could he tell the committee now what the position is at the present time with regard to those houses?

Mr. HOWE: Yes, I can. I have had a report from our representative on the west coast who has examined the houses and has looked into the situation thoroughly. The houses can be bought for, I think it is, $500 each. The cost erected in Seattle was about $2,300 each. The cost erected in Vancouver is likely to be something more than that as

far as we can find out. After the houses are erected, they are not $2,300 houses. They are perhaps $800 or $900 houses, which would be the cost to erect in Vancouver. We have stated that if the city of Vancouver wishes to buy these houses and move them to Vancouver, we will make a grant for the erection of the houses as emergency shelter, but we will not participate in a plan which proposes the sale of these houses to veterans, for the reason that we believe they are not of a standard that the government should sell to veterans.

Mr. GREEN: What grant would the government give?

Mr. HOWE: A maximum of $500 a house.

The CHAIRMAN: Order. Before the committee proceeds may I again remind hon. members that, in my opinion we should be discussing this evening only the terms of the resolution. Considerable discussion has related to the resolution, but at times it has proceeded quite a distance from it; there has been discussion of the bill and there have been other questions also.

I refer the committee to "May" fourteenth edition, at page 732, under the heading of "Scope of debate on resolution."

Debate in committee on a financial resolution is confined to the terms of the resolution itself and must not be extended to the related bill.

It is accordingly clear that at this stage we should be discussing the resolution only and not the bill. I do not wish to be too strict in my interpretation, but I trust that hon. members will stay within the scope of the resolution itself.

Mr. BOUCHER: I bow to the Chairman's ruling, but at the same time I must point out that the resolution itself says certain things.

Mr. HOWE: You pointed that out before. Must we listen again?

Mr. BOUCHER: Sometimes hon. members do not wish to hear.

Mr. HOWE: We love to hear your voice.

Mr. BOUCHER: The minister has stated in effect that the bill which will be founded on this resolution is to limit the controls to within fifty-seven spheres. In other words, there are fifty-seven orders in council—the fifty-five in the index and two others—dealing with matters on which the government retain the right to continue controls. They do more than that; as I understand it, they retain the right to extend these controls within these various spheres, to make new controls, to modify controls, to appoint new officers, to give new duties to new officers, to extend the duties of officers.

To illustrate my point, let me deal primarily with rental control. For some five years now the government have adopted a system of rental control. In my opinion, they have had ample time to figure out what controls are desired for rental control and what regulations are required to affect those controls, what officials are necessary to administer them, and what problems they are to deal with. For the past five years the public at large have allowed, or been subjected to—and I believe willingly—variations in regulations, day-to-day changes in regulations, day-to-day changes in controls, changes in the conditions under which they can get possession of their own homes, under which they can allow tenants in, can eject tenants and can extend leases. For instance, just recently the government allowed owners of commercial property to increase the rental by twenty-five per cent on certain conditions. Those conditions in some cases required the landlord or the lessor to give a five-year lease, in other cases to give a two-year lease, and in each case allowed the tenant to vacate upon thirty days' notice, but would not allow the landlord to eject the tenant under any condition.

I give that to illustrate what, to my mind, is the greatest objection the public has to these controls; the objection is to the unknown laws of the land, the laws of the land which are being made by regulation, by administrative officers and which are not the concrete law of the country. Consequently I believe that if the government should ask parliament today to continue the policy of rental control, they should be prepared to submit to parliament the rules and regulations under which that control is to be continued. They should allow the people of the country, the landlord and the tenant, to have some knowledge of the security of tenure the tenant has or the length of time the landlord must submit to his tenant. They must give to the public some indication, I would say, of the need of the conditions, whether it is more advantageous to the housing problem of Canada to let a tenant remain in possession of premises, or to let the landlord get possession of his own. As I see it, the returned soldier who has been fighting overseas for five years, being a young fellow may have either himself, or through his parents or friends, purchased a house, so that when he became rehabilitated he could get into a home of his own and become established. I cannot see where government policy is in any manner giving any opportunity for

the returned soldier to establish a home which he did not have when he left; and a few of them had their own homes when they left. The result is, I believe, that the government must, in order, at least, to satisfy public demand, modify that policy and let the returned soldier know at what time in the distant future he may be able to get possession of a house which he may have bought or which his father, mother or a friend may have bought for him.

I also believe that many people who are in the same category as the returned soldier brought home three or four years ago, are as much entitled to the housing accommodation as the tenants now in the premises, and that if they could occupy them it would provide just as effective an answer to the housing problem.

I give these points entirely to illustrate the fact that this government, having had five years' experience, in my humble opinion should now be prepared to set a definite policy, so that the public of Canada will know what the rules are and have some guidance as to what will be the policy for some little time in the future. You can take almost any one of the spheres of activity that these controls provide for and put up arguments similar to that. There is the wartime prices and trade board, for instance. Although we may require some controls in prices, there are many points where we do not need to leave with the officials the power to make new regulations, which they have. We do not need all the controls within that sphere which we have had. We should modify them to a much greater degree than this government is doing, in order to meet post war conditions. The conditions during the war were vastly different.

Some hon. MEMBERS: Order.

Mr. BOUCHER: My hon. friends are calling out "order." I think I have just as much right to order as they have, and I ask for order.

Mr. CHEVRIER: You are out of order.

Mr. BOUCHER: I am not out of order.

Mr. CHEVRIER: You did not listen to the Chairman's ruling.

Mr. BOUCHER: I did listen to the Chairman's ruling. The ruling says that we must speak to the resolution.

The CHAIRMAN: Order. Let me repeat the quotation I gave a moment ago:

> Debate in committee on a financial resolution—
>
> [Mr. Boucher.]
>
> And this is a financial resolution.
>
> —is confined to the terms of the resolution itself and must not be extended to the related bill.

Hon. members must discuss the terms of this resolution. It is difficult for the chairman to have to rise every few minutes and call an hon. member to order, and I hesitate to do so. All I can do is to bring to the attention of hon. members the ruling with regard to discussion of a resolution in committee of the whole.

Mr. BOUCHER: I fully agree with your explanation, Mr. Chairman, but there is a resolution brought in by the government with definite wording. We must confine ourselves to the wording used by the government.

Mr. ABBOTT: Read the resolution.

Mr. BOUCHER: I shall be glad to read it, and suggest that the minister read it also.

Mr. ABBOTT: I have done so.

Mr. BOUCHER: The resolution reads:

> That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations . . .

All I want to know is what those words mean. "Certain orders" do not mean any orders; they mean orders of a certain kind or within a certain scope. Then the resolution goes on and provides for certain officers, clerks and employees who may continue to perform certain duties.

Mr. HOWE: You would never understand.

Mr. BOUCHER: I believe I am right when I say "certain" means "definite" rather than "vague" or "general." So I wonder if the minister cannot give me some explanation.

Mr. ILSLEY: How many times must I give it? The hon. gentleman raised that point half an hour ago; I told him he was entitled to an answer, and I gave him the answer. I said the certain orders and regulations of the governor in council were the fifty-seven printed and circulated to hon. members. Now the hon. gentleman gets up and asks the question again. Let us have a little moderation in this process.

Mr. FLEMING: I do not propose to enter into a discussion, but I desire some information that will bear upon the expediency of introducing the bill referred to in the resolution. I take it that the committee is strictly within its rights in asking for this information, particularly since the attitude our party took in the house during the debate on the resolution was related directly to the information

we hoped to obtain at this stage. Now that the Minister of Finance is in the house, I should like to direct a question to him which will be perfectly general and directly related to the resolution. We have here a resolution which says:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations . . .

—for a certain period. We had some explanation from the Minister of Justice in moving the resolution in the first instance, and later, as to the period in question. What I want to get at is this. What objective has been set by the government with respect to what I consider to be one of the most important of these controls, namely rental control? Is the objective set on a strictly nation-wide basis? Has the government given consideration to the possibility of conditions improving in different areas, so that at some stage it might be possible to consider decontrol in that respect on an area basis, or perhaps on a provincial basis, or perhaps on a rural basis as distinguished from an urban basis, or perhaps on the basis of the larger cities, and so on?

Then in his statement would the minister also indicate whether in that respect some particular objectives in reference to the construction of houses have been set in measuring the period in question? For instance, I should assume that studies have been made to determine the number of houses which would have to be constructed in Canada in order to permit of decontrol, we will say, first of all, in reference to the freezing regulations. Can the minister give the committee any indication as to the objective that has been set in these respects and the basis upon which it has been set, because it is of great importance to those of us who sit on this side in measuring the expediency referred to in the resolution.

Mr. ABBOTT: My hon. friend has framed his question, as he said, in very general terms, and I am afraid my answer will have to be couched in somewhat similar terms. All these questions on which he has touched in connection with rental control have been under fairly intensive consideration for some time, and still are; that is to say, whether it is necessary to continue a uniform policy of control throughout the whole country, or whether it may be possible to make some relaxation in certain areas where conditions are not as acute. That whole question is being studied. So far it has not been considered desirable to modify the rental control order to provide for special regional differences. It may be possible to do so; I could not make any positive statement as to that.

On the general principle, the objective of rental control is to protect occupants of rented accommodation during this period of acute shortage. I do not think that is an overstatement, speaking of the country as a whole and perhaps particularly of the urban areas, though the condition is fairly general. I have indicated on previous occasions, as I think my colleague the Minister of Justice has indicated, that there is no intention on the part of the government to recommend the abandonment of either rental control or eviction control as long as such conditions continue to exist. But it is a brave man who will constitute himself a prophet as to exactly when conditions will be such that these controls can be either lifted entirely, or the point at which they can be relaxed from time to time. But I repeat the assurance I have given before in connection with other controls, that they will be relaxed just as soon as we believe we can do so in justice to the people of Canada, for whom we have some responsibility. Certainly no one will be more pleased than myself and some of the people who have had to administer these rental controls when it is found possible to take this action.

I am sorry I cannot be more specific in answer to my hon. friend's question, but I doubt whether he really expected me to be.

Mr. GREEN: If I may ask a supplementary question, have there been any discussions with the provinces concerning the possibility of having them take over rental control?

Mr. ABBOTT: Not as far as I am aware. That is a thought which might be worth exploring.

Mr. ILSLEY: There has been no application.

Mr. ABBOTT: As my colleague says, there has been no application.

Mr. FLEMING: The question which I asked, and to which the minister made a reply, had to do with the horizontal application of decontrol. Now, as to what one might call the vertical application of decontrol, I take it that as the government, or the wartime prices and trade board with the approval of the government, approach this question of decontrol we may expect it will be on a gradual basis, rather than a case of the government or the board waiting until such time as they think they can eliminate rent control entirely in connection with both rent ceilings and the freezing regulations. Am I correct in that?

Mr. ABBOTT: I would think so. I would hope it would be gradual; as rapid as possible, but gradual.

Mr. FLEMING: The question has reference to the statement made in the house by the minister on February 24. I would ask him now directly if he will deal with this question, which has been raised before in the house; and I should like to put two particular matters to him. The first relates directly to his statement of February 24, when he announced in the house that the government had authorized certain amendments to the rental orders and regulations of the wartime prices and trade board. One of the amendments was to provide relief for persons who had purchased tenanted houses as homes for themselves between November 1, 1944, and July 25, 1945. The case I put to him is that of the veteran who purchased his home outside the period referred to in the amendment the minister announced at that time. It is a matter about which I am sure the government must have received many representations, and about which hon. members must have heard a great deal. I can tell the minister I personally discussed this matter with some of those who are administering regulations of this kind, and there has been an indication to me that it would be quite feasible to have an amendment made which would permit veterans who have made bona fide purchases of homes for their own occupancy to assume possession.

The other matter has to do with a proposal which has been made, not infrequently, for increasing the supply of shared accommodation. This is a matter of great importance, particularly in the cities and towns. There has been considerable evidence that people have not been willing to open up their homes to tenants who would take shared accommodation —perhaps a room or a couple of rooms— because of the difficulty in evicting tenants. There is a provision in the present regulations for the eviction of obnoxious tenants, but anyone who has had experience with it must know that it is difficult to apply that provision.

The suggestion has been made more than once—I made it in the house in the fall of 1945—that the freezing order, so far as shared accommodation is concerned, should not apply to tenancies created after a given date. That is not going to interfere with any situation existing at the present time. Where there is need for freezing—very well, let it continue. But as to tenancies hereafter created, that freezing regulation should not apply in respect of shared accommodation.

If that were done, it has been stated by veterans organizations and labour organizations that there would be many people willing to open up their homes, people who have space they would let on a shared basis, if they were sure they could evict easily and not have to go through the difficult procedure which is available now only in respect of those who have proven to be obnoxious tenants.

The CHAIRMAN: Order. I think that matter should be discussed when the bill is before the committee. It deals with a certain order in council which will be in the bill, and suggests certain changes which should be made in it.

Mr. GREEN: We have had these fifty-seven varieties of orders in council placed before us. I submit it is not right that the position should be taken that no question can be asked about these orders in council.

Mr. ILSLEY: It is obvious to me from the discussion tonight that we shall have two full-length discussions respecting the details of all these orders in council. We must exercise a little self-restraint because, if we are not careful, we shall have two complete discussions. There is no sense in that. Unfortunately we have slipped in our procedure in the last few years, especially in the resolutions preceding war appropriation bills, discussion of which used to take months. But the whole tradition in respect of resolutions has been that the discussions have been brief. And they ought to be brief, to avoid duplication. Tonight we have slipped into a discussion of what is contained in the bill, and I have had to pick up a printed copy of it and look at certain sections in order to answer questions which have been asked.

Mr. GREEN: You have had to do that with other bills.

Mr. ILSLEY: That should not happen on a resolution, because hon. members who ask the questions ought to have the bill before them when those questions are asked. I am much disturbed by the thought that we can deal, in considerable detail, with shared accommodation and changes in the rights of evicted tenants, and so on, and then ask questions about other matters of some other minister.

The only proper procedure is to keep the questions general. I have in mind the question asked by the hon. member for Vancouver South: "You are talking about a limited period; how long is the limited period?" Or the question asked by the hon. member for Carleton: "You are talking about a limited number of orders; what orders are you talking about?" That is the type of question

which should be asked. They should be questions I can answer without having detailed knowledge of the various departments. Otherwise we shall have complete duplication.

If I felt hon. members were really not in a position to decide whether they think it is expedient to introduce a bill the situation might be different; but they have the orders in council before them. We have told them what those orders in council are, and we have told them what we are going to ask. General information of that kind has been given.

There is no objection to giving information. It has all got to be given sooner or later. But should it not be done in an orderly way, when the bill is before the house, when orders in council can be taken up in their proper order, and when we can have ministers here who will have their officials before them? Then, after the orders under one minister have been discussed, another minister can come forward, and his officials can be here. Is that not the only way in which we shall ever finish this mass of work?

Mr. GILLIS: I am not going to pursue the questions asked by hon. members to my right, because I think the minister is correct in what he says.

Mr. GREEN: The old axis.

Mr. GILLIS: The resolution is simple. It is stated that the government wishes to introduce a bill. But there is a question I should like to ask the minister.

Mr. FLEMING: I take it that the hon. member is about to ask a new question. I thought we were discussing a point of order. I asked several questions of the Minister of Finance. Then a point of order was raised, and I do not think it has been settled. Before the hon. member for Cape Breton South asks another question, do I understand that Mr. Chairman is ruling that my questions are not to be answered?

Mr. CHEVRIER: There is no point of order in that.

Mr. KNOWLES: We have had nothing else.

Mr. GILLIS: Have I the floor?

Mr. ABBOTT: I would be very glad to answer the questions. But I understood the ruling was made four or five times that questions of this sort were out of order.

Mr. CHAIRMAN: Early in the sitting of this committee I brought to its attention the fact that at this stage we should be discussing only the terms of the resolution. It has occurred to me that the questions asked by the hon. member for Eglinton went beyond those terms in that they were detailed questions referring to the bill itself. For that reason, while I did not make a firm ruling—because I am in the hands of the committee, and I believe we are trying to work out a proper procedure—I did suggest that I thought the questions should not be asked at this time, but rather when the bill itself is before the committee. I gathered that was the consensus of the committee, that questions of that kind, or similar to those asked by the hon. member for Eglinton, should be held over until we reach the committee stage of the bill.

Mr. GILLIS: It is amazing when one sits here, as I have, for the last four or five days and listens to the brains of the country discussing seven lines in a resolution asking for the right to introduce a bill which might give us some idea about what we are going to discuss. I am coming to the conclusion that a legal training is a bad training, especially if you are on this side of the house. You get so used to cutting corners and arguing about matters in which you do not believe that it becomes a habit.

Mr. GREEN: You are good at it, too.

Mr. GILLIS: We plain, simple folk read a thing and understand it as it was intended. I should like to ask the minister one simple question about the resolution, just so that he will not forget there is a resolution before the committee. He is likely to begin discussing the bill and I want to bring the minister back to the resolution. Certain orders are going to be carried forward for a limited period during the national emergency arising out of the war. Who is to define or decide when that national emergency has ceased to exist? I am thinking back to September 10, 1939, when a much greater national emergency existed than exists today. Am I to assume that the national emergency will not be over until we get back to the economic stagnation that existed prior to 1939? Am I wrong in assuming that that is where my hon. friends to my right want to go? I wish to be sure that that is not what the minister has in mind.

Mr. ILSLEY: That is not what the government has in mind.

Mr. TIMMINS: On page 11 of this bill—

The CHAIRMAN: We are not discussing the bill.

Mr. TIMMINS: We are discussing what is to come before the house in a short time and it seems to me that we should be able to find

out what we are to be dealing with. For instance, we are to be dealing with returned soldiers who receive appointments under the civil service. In the omnibus bill that is before us there are five or six different orders in council, some of which go back to 1927. We are now in the year 1947. When we come to the omnibus bill are we to deal with this matter in this hit-or-miss way that we are dealing with at the present time, or are we to have these bundled together and put before us in the form of a statute so that those who run may read? If the minister would answer that, then I should like to ask one other question.

Mr. GIBSON (Hamilton West): The Civil Service Act will be amended eventually, but we do not want to take a chance of veterans preference lapsing. Consequently the orders in council which have existed during the war will be continued under the omnibus bill so that there will be no chance of that preference lapsing between the time the orders run out and the time the amendment to the Civil Service Act is brought before the house.

Mr. TIMMINS: Will this act be consolidated some time during the discussion? Shall we have something before us to crystallize it in one form? After all, it is not fair that one should have to go through five or six different orders in council to find out the position of the returned soldier.

Mr. ILSLEY: When the bill is introduced I will lay on the table copies of the orders in council and the amending orders in council. For the convenience of hon. members, the orders in council as amended have been consolidated in office consolidations which have been circulated. Each hon. member has before him this office consolidation which is a most convenient source of information to consult. There will also be on the table of the house the orders in council and the amending orders in council as they appear in the schedule to the bill. Everything has been done to place before the members of the house exactly what they will be dealing with.

Mr. TIMMINS: I am sorry to have to refer to this omnibus bill but I am not going to speak about it. There are wartime leasehold regulations dealing with both commercial and residential properties. There are two orders which set out the regulations. Shall we have before us those regulations which at the present time are dealt with by orders in council dealing with housing and commercial accommodation? Shall we have those orders before us so that we may know where we are going and what we are discussing? We should know whether the department has decided to make any changes. The Minister of Finance, if I understood his words correctly, said that the department is discussing whether or not changes will be made before the bill is put before us. Are we to have all the orders dealing with those two fields before us?

Mr. ILSLEY: All the board orders should be produced by the minister. This house is entitled to them if they want them.

Mr. TIMMINS: Will they not be produced so that we may know about them at the beginning?

Mr. ILSLEY: I do not know what the house wants yet.

Mr. TIMMINS: I think we want everything.

Mr. ILSLEY: There is a library here.

Mr. MACDONNELL (Muskoka-Ontario): I agree fully with what the Minister of Justice said. We do not want to go over the course twice, but I submit that there are a few things which, if we could clear in our minds about them now, would perhaps save time later. There are one or two which I think are worth mentioning now. One thing that will be important when we come to the wartime prices and trade board orders in council is the cost figures which appear in the report of that board. I presume I should address my remarks to the Minister of Finance, so I shall ask him if he would have the figures on page 55 which show the rises in prices reconsidered. From a remark made by Mr. Gordon the other day in the banking and commerce committee, I understand that these figures do not contain anything to indicate the subsidies which have been paid. In other words, if the subsidies paid were included in these figures they would show a different figure.

I do not know whether anyone else has had this experience, but I know I have had it and some of my friends have had it. When she is told that the cost of food had risen from August, 1945, to the end of 1946 by only 6·8 per cent, my wife, whom I have always considered to be a sensible woman, just smiles. I am not suggesting that there are any wrong figures there and I am not criticizing the bureaucrats or officials, but I am suggesting that it is possible to include figures which are not really typical ones. I have had inquiry made and I confess I am puzzled about the figures showing the rise in the cost of food in Canada from the pre-war figures to the end of 1946. This is given as forty-five per cent. I have had a figure made by a person who, I think, is a reliable person. I admit it is hard to be sure that you have all the

figures, but at any rate the result arrived at is a much larger figure. I suggest that when we come to consider this matter these figures will be important because they are relevant to the consideration of the full picture.

I suggest to the minister that he might have these figures looked up, and in particular I suggest that care be taken to include the subsidy figures. To my mind, these figures are really misleading if the subsidy figures are not taken in. Otherwise we have not a fair comparison with the United States, and if we could get that it would be useful to us when we come to discuss the bill itself.

There is one other question I would raise in regard to the Commodity Prices Stabilization Corporation. The order in council with regard to that is long, and wide powers are given. Then I look at the schedule and at the report of the wartime prices and trade board. I am not quite sure that I have it all clear but, as far as I can make out, a large number of items are said to be ineligible for subsidies; in other words, the subsidies are no longer to be continued. I raise the question whether these extraordinary powers are needed to do what is now a much smaller task. In answer to my question some time ago the Minister of Justice said that thought had been given to seeing whether all the powers previously conveyed during the war were necessary to continue with the much smaller task now.

I turn to page 20 of the consolidation of the orders in council to draw attention to the extraordinary variety of things which are included as "services" such as laundering, cleaning, tailoring and dressmaking; hairdressing and beauty parlour services; the pasteurizing of honey on a custom or commission basis. I am not going to take time to read more, but I am asking seriously whether these astonishing powers which lead to lawbreaking on a large scale, as referred to in the report of the prices board, are necessary. I know we are continuing them for only one year, but I am asking whether all these powers are necessary or not.

I am going to make a suggestion on detail. I think it would be useful to us, when we come to what will be the arduous task of considering the bill, if it would not be possible in some way, purely as a matter of mechanical convenience, to show not merely the original orders, not merely the consolidation which the minister says we shall have in addition to the detailed orders, but also what deletions have been made and what powers have been restricted. If there is some way in which that can be shown it would greatly simplify our task.

I should like to add one word. The minister said that these orders had been scrutinized to see if certain deletions could be made. The powers are still so ample, so detailed, so meticulous, that it is hard for me to believe that they are all now required. Certain restrictions and deletions may have been made. If so, I suggest that they be shown in some way so that they can be easily picked out and we shall understand what has happened.

I should like in particular for the Minister of Finance to comment on these figures to which I referred on page 55 of the report of the wartime prices and trade board and make whatever comment on them he wishes. I shall be glad if he would say whether he would have those further figures prepared, for which I have asked.

Mr. ABBOTT: I do not know whether my hon. friend intends me to comment on them tonight. He has called my attention to these figures and indicated his desire that at the appropriate stage, I take it, I should be prepared to comment on them. I shall be glad to do that. Probably the better time would be on the second reading of the bill or, better still, in committee on the bill, when I can have the controller here to elaborate and enlarge on any figures on which my hon. friend may want special information.

Mr. MACDONNELL (Muskoka-Ontario): I was not expecting the minister to answer out of his head now, but I am suggesting that it is a reasonable request and might be convenient if these figures could be prepared and be ready for us when we are considering the bill, which I presume will be a matter of days yet.

Mr. ILSLEY: No, just as soon as we get through with this discussion we shall introduce the bill. It will have to stand a day before the second reading is taken.

Mr. MACDONNELL (Muskoka-Ontario): You will go right ahead with the second reading?

Mr. ILSLEY: Yes, unless there is a request for more time, which, of course, we would be willing to give.

Mr. MACDONNELL (Muskoka-Ontario): Then my suggestion is this. We ought to be given these figures as soon as possible. I think they are relevant and they might be important. They are not easy for us to come by. There are different views as to how they should be made up.

Mr. ABBOTT: I am not quite clear as to what figures my hon. friend wants, but I had

n mind reading his remarks in *Hansard* and considering them. If they are figures which are not in the report but are available they will, of course, be provided.

Mr. MACDONNELL (Muskoka-Ontario): I will read the figures I have in mind. They are at page 55 of the report of the wartime prices and trade board. First of all, they are the figures in Canada and in the United States from August, 1945, to December, 1946. I will read two typical figures: general wholesale prices, showing a rise in Canada of 7·5 and in the United States of 32·1. Then you come to retail food, showing a rise in Canada of 6·8 and in the United States of 31·9. That retail food figure will be substantially raised if the food subsidies are taken into it, as I understood Mr. Gordon to say the other day. I find it difficult to understand these figures because they are quite different from figures that I have had prepared by competent persons who worked hard and who arrived, quite apart from the subsidies, at quite a different figure. I should like to know how these figures are made up. I think it is important that we should have them because we do not want to be asking about figures when we are in the midst of discussing the orders in council.

Progress reported.

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

Wednesday, March 26, 1947

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 you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Alexander.

Government House,
Ottawa.

INDIAN AFFAIRS

Second report of the joint committee of the Senate and the House of Commons appointed to continue and complete the consideration and examination of the Indian Act.—Mr. Brown.

[Mr. Abbott.]

PUBLIC ACCOUNTS

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That the name of Mr. Fleming be substituted for that of Mr. Rowe on the select standing committee on public accounts.

Motion agreed to.

ATOMIC ENERGY COMMISSION

WORK OF CANADIAN DELEGATION—DISCUSSIONS ON INTERNATIONAL CONTROL

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I should like to table two copies of the first report of the atomic energy commission to the security council. While copies for distribution to all members of the house are not at present available, it is hoped to be able to obtain sufficient printed copies shortly.

The last occasion upon which a full statement was made to the house in regard to atomic energy was on December 17, 1945, when the Prime Minister (Mr. Mackenzie King) described the events leading up to the Washington declaration of November, 1945. In view of the importance of the subject and the length of time which has elapsed, I thought it might be appropriate to make a statement to the house at this time. As this report is only of an interim nature and the discussions on the international control of atomic energy are still in progress, I should like, if it is agreeable to the house, to confine myself to a statement on the work of the Canadian delegation to the atomic energy commission to date, and to indicate the state of the discussions on the international control of atomic energy. I feel that I need hardly impress on the house the importance of the subject matter dealt with in this report and as I assume that the members interested in these matters will wish to read this document, I shall only pass in review the various phases in the deliberations of the atomic energy commission leading up to the completion of the report and its transmission to the security council. I shall also outline briefly the situation with regard to the discussions which have taken place on atomic energy in the security council.

As hon. members are aware, the declaration on atomic energy made in Washington on November 15, 1945 by the President of the United States, the Prime Minister of the United Kingdom and the Prime Minister of Canada urged that at the earliest practicable date a commission of the united nations should be established to prepare recommen-

dations for submission to the united nations. Following a meeting of the foreign ministers of the U.S.S.R., the United States and the United Kingdom in Moscow in December, 1945, the atomic energy commission of the united nations was established by a resolution of the general assembly of the 24th January, 1946.

The first meeting of the commission took place in New York City on the 14th of June, 1946. The countries represented on the commission from June 14 to December 31, 1946, were Australia, Brazil, China, Canada, Egypt, France, Mexico, the Netherlands, Poland, U.S.S.R., United Kingdom and the United States. After December 31, Belgium, Colombia and Syria were elected to replace Egypt, the Netherlands and Mexico. The Canadian representative on the commission has been, and is, General A. G. L. McNaughton.

At the outset, the atomic energy commission was presented with two different plans. The United States government at the first meeting of the commission on June 14 put forward proposals for the international control of atomic energy closely resembling in many respects the plan as outlined in the Lilienthal report. The United States government's proposals included the renunciation of the atomic bomb as a weapon and suggested that when an adequate system of control had been established the manufacture of atomic bombs should stop, the existing bombs should be disposed of and the authority set up to administer the system of control should be placed in possession of the technological data necessary for the production of atomic energy. In addition, the United States government's proposals contained a statement which had no counterpart in the Lilienthal report "that there must be no veto to protect those who violate their solemn agreements not to develop or use atomic energy for destructive purposes".

At the second meeting of the commission on June 19, the Soviet government put forward its plan proposing the immediate outlawry of atomic weapons and the destruction of all stocks of atomic energy weapons within a three months' period. In addition, the Soviet government proposed an international convention for the prohibition of the production and use of atomic energy and the establishment of two committees; a "committee for the exchange of scientific information", and a "committee for the prevention of the use of atomic energy to the detriment of mankind".

Australia, Brazil, Canada, China, Egypt, France, Mexico and the United Kingdom agreed in principle that the United States plan might form the basis of discussion in the commission. The Polish and Soviet representatives considered the Soviet plan should be given equal consideration with the proposals advanced by the United States government.

In June and July four committees were established by the commission: a working committee or a committee of the whole; a committee described as No. 2; a legal and advisory committee; and a scientific and technical committee.

The discussions which ensued occupied the attention of the commission until July 31, at which time the commission went into committee to discuss in detail the question of whether an effective control of atomic energy was possible. The scientific and technical committee was instructed to report its findings with an indication of the methods by which it believed control might be achieved. In October the committee reported that "they did not find any basis in the available scientific facts for supposing that effective control is not technologically feasible."

The work of the scientific and technical committee coincided with the chairmanship of the Canadian representative from August 14 to September 14, and consequently responsibility for suggesting the next step which might be taken in the work of the commission fell upon the Canadian chairman. The Canadian delegation accordingly put forward a proposal that:

> Committee No. 2 proceed to examine and report on the safeguards required at each stage in the production and use of atomic energy for peaceful purposes, to prevent the possibilities of misuse indicated in the report of the scientific and technical committee; that the committee may hold informal meetings as it may decide, at which scientific representatives may take part in the discussions.

The informal discussions which ensued proved of value in clarifying both the nature and the degree of the control which it is necessary to apply. In the discussions on raw materials the Canadian delegation was able to make a useful contribution by having officials from the bureau of mines and from the Eldorado refinery describe the characteristics of the processes of mining and refining of uranium.

In November it was proposed that the commission should report its proceedings, findings and recommendations to the security council in a first report by December 31. It was agreed that prior to this, committee No. 2 should report to the commission in plenary session. This proposal was accepted by the majority of the commission with the Soviet representative reserving the position of his government and the Netherlands and French representatives accepting on the "understanding that the

report would merely record the progress made in the commission to the end of the year without affecting the discussions in the commission."

At a further plenary session of the commission on December 5 the United States delegate introduced proposals for the inclusion of certain items in the findings and recommendations of the commission's report to the security council. These proposals cover some of the main elements of the United States plan as submitted on June 14.

During this time the general assembly of the united nations meeting in New York was debating the subject of disarmament, not only in relation to armed forces and their armament generally, but also specifically to the major weapons adaptable to mass destruction, including atomic weapons.

At a meeting of the commission on December 20, the Canadian delegation put forward a resolution which reads as follows:

> Resolved that the commission approves and accepts the principles on which the findings and recommendations proposed by the representatives of the United States of America are based and instructs the working committee to include these findings and recommendations in the draft of the commission's report to be delivered to the security council by the 31st December, 1946, having conformed the wording of such portions of these findings and recommendations as deal with the same subject matter to the wording of the relevant parts of the text of general assembly resolution of December 14, 1946, on the "Principles Governing the General Regulation and Reduction of Armaments."

The Canadian resolution was adopted by the commission by a vote of 10 to 0 and accordingly the proposals as contained in the findings and recommendations of the first report of the atomic energy commission to the security council were amended. The first report of the atomic energy commission was subsequently approved and adopted for transmission to the security council on December 31 by a vote of 10 to 0, with the Soviet and Polish representatives abstaining. That is the report I have tabled today.

In January and February the security council discussed the commission's report at a number of meetings in which the Canadian representative, General McNaughton, participated under the provisions of article 31 of the charter of the united nations. Important statements of the positions of the Soviet and United States governments were made by their representatives on the security council. It became clear that, while all the members of the council were agreed on certain of the proposals, there was disagreement on a number of other proposals, including those on international inspection and on sanctions. It was clearly impossible to attempt to reconcile these differences in the security council and the council, therefore, decided to refer the matter back to the atomic energy commission. The atomic energy commission has been instructed by the council to prepare and submit to the council a draft treaty or treaties, or convention or conventions incorporating its ultimate proposals. In addition, the security council has requested the commission to submit a second report to the security council before the next session of the general assembly—that which will take place in September, 1947.

Because the discussion has been in general terms, there has been a good deal of misunderstanding about the position, for example, of the United States government on the question of sanctions against violators of an international treaty on the control of atomic energy. The latest statement of the United States representative on this subject has done much to clear up these obscurities. In an address on March 4 before the Overseas Press Club in New York, Mr. Austin, the United States representative on the security council and on the atomic energy commission, had this to say about the vexed question of the veto:

> Nothing could be more dangerous than to act upon the assumption that a treaty or a voting system would operate automatically.
>
> Let me illustrate the point by a brief reference to the veto. The veto power in the security council is widely thought of as a protection to an aggressor nation. Actually the veto would be no protection at all to an aggressor if the other nations should act together in accordance with the purposes and principles of the charter.
>
> If any great nation possessing the veto power should ever embark on a course of aggression in violation of the charter, it would be committing an act of nullification, an act of rebellion against the united nations. It would forfeit its position under the charter.
>
> No veto could protect such a nation from the consequences of its crime. Only the failure of the other nations to act together against it could spare the aggressor from lawful punishment. The heart of the problem of building collective security is the strength and the will of the member nations to carry out their obligations, individually and collectively.
>
> Veto or no veto, the strength of the great nations in relation to one another is such that no one of them can safely go to war in violation of the charter if it is certain that the others would act together in the defence of the charter.
>
> If the United States demonstrates convincingly that all its great material and moral power would be used in support of collective security under the united nations, that fact would have far-reaching influence upon the will and capacity of other member nations to act together to maintain peace. On the other hand, if we should falter, if we should dissipate our strength, if we should act in blind or short-sighted selfishness, we would inevitably undermine the whole cause.

On March 10, Mr. Austin, speaking as the United States representative on the security council, in answering the Soviet representative's criticism of the United States government's position, said what the United States and the majority of the members of the commission were seeking was—and these are his words—"effective international control by a genuinely international cooperative development of atomic energy to which all nations would contribute their skills and their knowledge without secrecy, and in which all nations would share the benefits on an equitable basis. Our purpose is to assure that each nation can safely realize these tremendous benefits for itself without danger to its national security or the security of its own economic and social system." Mr. Austin went on to say: "The United States does not desire to impose its will, in questions of atomic energy, on other countries. The report itself proves the opposite. Ten countries united therein to forestall an atomic weapons race. The prohibition of atomic weapons in advance of a system of effective enforceable safeguards would not fulfil the mandate of the general assembly adopted unanimously, or prevent an atomic weapons race. My government has made it clear that we welcome all constructive suggestions which might advance the solution of our common problem and fulfil the mandate of the general assembly resolution."

It is to be expected that the studies in the atomic energy commission during the next four or five months will indicate precisely the safeguards which will be required to protect complying states against the hazards of violations and evasions of the ultimate international agreement on the control of atomic energy. As is stated in the introductory paragraph to section C of the report which I am tabling today, the commission hitherto has limited its examination of the problems of safeguards and measures of control "to the more technical aspects of the control of atomic energy".

It is the hope of the Canadian government that further examination by the atomic energy commission of the problems placed before it by the general assembly of the united nations may lead to a realization on the part of all governments represented on the commission of the manifest advantages to be reaped under a system of effective control of atomic energy. The establishment of such a system would not only make a great contribution to the peace of the world, but would also make it possible for the peoples of the whole world to share in the benefits to be derived from the peaceful application of atomic energy. Canada, as a member of the commission, will continue to do its utmost to resolve the difficulties which still confront the commission.

I shall keep the house informed, as occasion offers, of the developments in the work of the atomic energy commission, bearing in mind that the results of the work of this commission, when available in the form of a draft treaty or convention, will naturally be submitted to this house for its approval and for the usual procedures of ratification. The present report is an interim report only and the security council in dealing with it recognizes specifically that "final acceptance of any part of the report by any nation is conditioned upon its acceptance of all parts of the control plan in its final form."

There is no commitment until commitment to the treaty in its final form, and that can be made only by bringing the treaty to the houses of parliament for the usual processes of ratification. The ultimate treaty or convention should be one which governments of democratic states can readily commend to their parliaments and peoples for acceptance. It is hoped therefore that the treaty or convention will be accompanied by a full report from the atomic energy commission setting out in detail the arguments and considerations in support of the provisions contained in the treaty or convention. It is also hoped that in the work of the commission a due perspective is maintained, so that the system of international control which is submitted to the nations for approval, goes as far as it is necessary in the matter of controls to provide international security and the benefits to be derived from the peaceful applications of atomic energy, but goes no farther.

Mr. GRAYDON: Will copies of this report be available to hon. members, or is it the intention to have it printed in *Votes and Proceedings?*

Mr. ST. LAURENT: It would be quite an undertaking to have it printed in *Votes and Proceedings,* because it is a document of some 85 or 90 pages.

Mr. KNOWLES: It is in *Hansard* anyway.

Mr. GRAYDON: Not the report.

Mr. ST. LAURENT: No, not the report from the atomic energy commission.

Mr. COLDWELL: Did the minister not say he was going to have copies tabled?

Mr. ST. LAURENT: I am informed by the secretariat of the united nations that the question is now being considered as to when they will print this report. We have asked them

for sufficient prints to have copies available for those who are interested, in our parliament and even outside of parliament. The printing has not yet been undertaken by the secretariat. If it appears to be too long delayed it may be the desire of hon. members that we have it printed ourselves for circulation here.

Mr. GRAYDON: I think the public has had a good deal of difficulty in understanding the atomic energy reports. I have not read this one, but generally these reports are couched in such full-blown complicated diplomatic language that it is difficult for the public to know what is going on. Will the government consider having this matter referred to the committee on external affairs so that it may be dealt with by those qualified to deal with it, and if so, will they make our representative, General McNaughton, available for examination before the committee?

Mr. ST. LAURENT: If I could count on the unanimous consent of the house I would have no objection to moving at once that the report which has been tabled be referred to the committee on external affairs. The committee could then examine the report. As to making General McNaughton available for examination in the committee, I am sure the committee would not wish to interfere with the sittings of the atomic energy commission; on the other hand, I feel it will be possible to coordinate the work in such a manner that if he is required for the proper information of the committee he can arrange to attend. Have I the unanimous consent of the house to move that the report just tabled be referred to the committee on external affairs?

Some hon. MEMBERS: Agreed.

Mr. ST. LAURENT: I move that the report tabled this day be referred to the standing committee on external affairs.

Motion agreed to.

MEAT RATIONING

DISCONTINUANCE AS OF MARCH 27

Hon. DOUGLAS ABBOTT (Minister of Finance): I wish to announce that, effective tomorrow, the coupon rationing of meat will be discontinued.

The rationing of any commodity at the consumer level is a difficult and expensive operation. This is so both from the point of view of government administration and also in light of the burden which must necessarily be imposed upon the retail trade and consumer in the handling of coupons, and other routine requirements of the system. The difficulties have been increased in recent months because the wartime prices and trade board has not been able to retain the experienced staff which was recruited originally under the stimulus of a wartime emergency.

In the circumstances, the government has decided on a modification of control in this field which we believe will enable the system of coupon rationing, at the consumer level, to be abandoned, but will provide an alternative method which should not reduce exports of meat from Canada, particularly to the United Kingdom where food shortages are still acute.

By order of the wartime prices and trade board, existing regulations in regard to meatless days in public eating places will continue in force. Furthermore, in collaboration with the meat board, the wartime prices and trade board will continue an area distribution of meat in an effort to ensure an equitable distribution of the available meat supply to specified domestic areas. An effort will be made to hold the supplies going to each area at a level which will not reduce the amount of meat which would have been available for export if the rationing system had continued. Naturally this may not work out exactly. It will require the full cooperation of the public to prevent the supplies for each area from being too rapidly exhausted, thereby causing spotty or temporary shortages. With this in mind, the government will undertake certain publicity measures to inform the public of the need for restraint in this regard, and to invite their cooperation so as to keep this country's export contributions of meat at the highest level possible.

Mr. COLDWELL: May I ask the Minister of Finance if this announcement will make any difference in the price levels of meats?

Mr. ABBOTT: It should have no effect on that whatsoever.

Mr. COLDWELL: The price ceiling is to be maintained in the future?

Mr. ABBOTT: There is no change in the price ceiling. This is merely the abandonment of coupon rationing to the consumer.

Mr. SENN: I understood the Minister of Finance to say, in connection with the discontinuance of meat rationing, that certain regulations were changed accordingly. There is now a regulation that only a certain quota of hogs can be slaughtered in country slaughter houses, the quota being based on 1941 slaughtering. Is it intended that that shall be changed?

Mr. ABBOTT: There is no change in that for the moment, but I shall make inquiries and see what the situation is.

TRANSPORT CONTROL

MAXIMUM LOADING ORDER AND PENALTY DEMURRAGE

Hon. LIONEL CHEVRIER (Minister of Transport): On March 9, as reported on page 1512 of *Hansard,* I replied orally to the following question asked by the hon. member for Moose Jaw (Mr. Thatcher):

1. Have the railroads filed with the board of transport commissioners an application to incorporate emergency orders T.C. order 04F (maximum loading order) and T.C. order 18F (penalty demurrage), in tariff CFA, No. 67?
2. Was this tariff an emergency order that came into being as a wartime measure?
3. Has the board of transport commissioners taken any action to make this measure permanent?

My reply was as follows:

I think I can reply orally to this question by telling the hon. gentleman that the railway association of Canada have filed with the board of transport commissioners an application such as is mentioned in the first part of the question to continue the emergency orders of the transport controller. In view of the extension which was given yesterday to the National Emergency Transitional Powers Act 1945 until May 15, the transport controller will continue to exercise jurisdiction over these orders during this extension.

After conferring with the Minister of Justice, I find that order in council P.C. 4487 of June 9, 1942, under which all orders of the transport controller were made, will not be included in the bill called the Continuation of Transitional Measures Act, and that this order in council and regulations made thereunder will be revoked in the general revocation of orders and regulations of the governor in council which the government proposes to make effective the first day of April, 1947. Consequently I wish to correct any impression which hon. members may have received from my statement of March 19 that the orders of the transport controller would continue beyond April 1, and to make the following supplementary answer to the hon. member's question.

1. The Railway Association of Canada has filed with the board of transport commissioners an application requesting the issuance of a general order of the board which would have the effect of continuing, after the cessation of the transport controller's authority, the provisions of emergency orders T.C. 04-F, 05-F and 18-F incorporated in tariff CFA No. 67.

2. Tariff CFA No. 67, which is based on said orders T.C. 04-F, 05-F and 18-F, has not yet been approved by the board and is not in force.

3. The board of transport commissioners has not yet dealt with the said application of the railway association but I expect will do so in the near future.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NAILS

Mr. TIMMINS:

1. How many firms manufactured nails in Canada in 1946 and what was the output of each firm in that period?
2. What is the estimated output for each firm in 1947?
3. Was any incentive bonus or any subsidy paid in 1946 in respect to the manufacture of nails and if so, what was the amount?
4. Has any subsidy or incentive bonus in respect to the manufacture of nails been arranged for 1947?

Mr. McILRAITH:

1 and 2. The following firms manufactured wire nails in Canada in 1946:

	1946 production net ton
Canadian Tube & Steel Products Limited	1,637
Dominion Steel & Coal Corporation Limited	16,013
Graham Nail & Wire Products Limited	4,603
Morrison Steel & Wire Company Limited	5,423
James Pender & Company Limited	5,812
Steel Company of Canada Limited	25,085
United Shoe Machinery Company of Canada Limited	270
Totals	58,843

	1947 estimated production net ton
Canadian Tube & Steel Products Limited	3,000
Dominion Steel & Coal Corporation Limited	20,000
Graham Nail & Wire Products Limited	6,500
Morrison Steel & Wire Company Limited	8,000
James Pender & Company Limited	6,000
Steel Company of Canada Limited	26,400
United Shoe Machinery Company of Canada Limited	270
Totals	70,170

3. No incentive bonus nor subsidy was paid in 1946 in respect to the manufacture of nails.

4. No.

Note.—The manufacture of aluminum nails in 1946 might be considered as being in the

experimental stage. Small quantities were produced by the Aluminum Company of Canada Limited, Montreal, Quebec, the Independent Nail Company, Galt, Ontario, the Canada Tack & Nail Company, Morrisburg, Ontario, and Morrison Steel & Wire Company, Vancouver, British Columbia. Since approximately the first of the year the Steel Company of Canada Limited in addition to the aforementioned firms are in production of small tonnage of aluminum nails. The production of aluminum nails in 1947 will depend wholly on how much rod the Aluminum Company of Canada Limited can divert from other highly essential uses.

HOUSING—VETERANS—VALLEYVIEW PROJECT, KAMLOOPS

Mr. FULTON:

1. What is the maximum total amount any veteran will be required to pay under a contract to purchase a Valleyview project home, including interest, under the standard 25 year contract?

2. What is the minimum total amount any veteran will be required to pay under a contract to purchase a Valleyview project home, including interest, under the standard 25 year contract?

3. What is the average total amount any veteran will be required to pay under a contract to purchase a Valleyview project home, including interest, under the standard 25 year contract?

Mr. TUCKER:

1. $6,151.34, with interest.

2. $4,760.24, with interest.

3. $5,199.39, with interest.

These figures include down payments of $600, and interest at 3½ per cent is calculated on the unpaid balance.

STRUCTURAL STEEL—PRIORITIES

Mr. FRASER:

1. What priorities for structural steel in quantities of ten (10) tons and over, have been granted from January 1, 1946, to January 31, 1947?

2. What firms, or individuals, received these priorities?

3. What quantities were granted to each firm or individual?

Mr. McILRAITH: 1, 2 and 3. The priorities branch did not issue any priorities on structural steel during the period mentioned because structural steel is not included in Schedule A of priorities officer's order P.O. 11. However the steel controller during the period issued directives to the mill whereby the following structural steel orders were given preference:

[Mr. McIlraith.]

Structural Steel Orders given priority during 1946—Firm—Quantities in Net Ton.

Steel for Rhine Barges, Burrard Shipyard and Engineering Works Ltd., Vancouver, 700.

Steel for Barges for Mackenzie River, Central Bridge Co. Ltd., Trenton, 47.

Steel for Manitoba and Saskatchewan Coal Co., Vulcan Iron Works Ltd., Winnipeg, 42.

Steel for Emergency Fuel Oil Programme: Toronto Iron Works Ltd., 557; Horton Steel Works Ltd., 663; Canadian Bridge Co. Ltd., 52; Dominion Bridge Co. Ltd., 298; Farand and Delorme, 15; Hamilton Bridge Co. Ltd., 37; Standard Steel, 58.

FAMILY ALLOWANCES

Mr. CROLL:

1. How many families and children are in receipt of family allowances?

2. What is the average number of children per family in those families receiving family allowances?

3. What is the amount of family allowances paid out per month to each province?

4. What is the average amount of family allowance per child and per family?

5. What steps are necessary to register a child for family allowances?

6. Are birth certificates required to be sent with the registration form?

Mr. MARTIN:

1.	Number of Families
Prince Edward Island	12,129
Nova Scotia	82,048
New Brunswick	63,462
Quebec	438,733
Ontario	512,080
Manitoba	95,872
Saskatchewan	111,449
Alberta	113,456
British Columbia	122,477
Yukon and Northwest Territories	2,292
Total as at Jan. 31, 1947	1,553,998

	Number of Children
Prince Edward Island	30,467
Nova Scotia	192,591
New Brunswick	165,283
Quebec	1,203,313
Ontario	1,027,920
Manitoba	200,727
Saskatchewan	253,079
Alberta	242,203
British Columbia	235,955
Yukon and Northwest Territories	5,097
Total as at Jan. 31, 1947	3,556,635

2.

Prince Edward Island	2·51
Nova Scotia	2·35
New Brunswick	2·60
Quebec	2·74
Ontario	2·01
Manitoba	2·09
Saskatchewan	2·27
Alberta	2·13
British Columbia	1·93
Yukon and Northwest Territories	2·22
Total as at January 31, 1947	2·29

3.

Prince Edward Island	$ 180,495
Nova Scotia	1,150,022
New Brunswick	974,579
Quebec	7,077,787
Ontario	6,184,126
Manitoba	1,213,011
Saskatchewan	1,528,045
Alberta	1,481,346
British Columbia	1,395,965
Yukon and Northwest Territories	29,925
Total for the month of January 1947	$21,215,305

4.

	Average Allowance per child
Prince Edward Island	$5 92
Nova Scotia	5 97
New Brunswick	5 90
Quebec	5 88
Ontario	6 02
Manitoba	6 04
Saskachewan	6 04
Alberta	6 12
British Columbia	5 92
Yukon and Northwest Territories, as at January 31, 1947	5 87

	Average Allowance per family
Prince Edward Island	$14 88
Nova Scotia	14 02
New Brunswick	15 36
Quebec	16 13
Ontario	12 08
Manitoba	12 65
Saskatchewan	13 71
Alberta	13 06
British Columbia	11 40
Yukon and Northwest Territories, as at January 31, 1947	13 06

5. A registration form may be obtained at any post office. A white form is used for initial registration. For later births a blue supplementary form is available. The form is completed by the parents and sent to the regional director of family allowances in the capital city of the province of residence.

6. No. Arrangements have been made whereby birth registrations are checked with the provincial vital statistics records. Only in those cases where the birth date cannot be proved by this method is it necessary to request some form of proof of birth from the parent.

DEPUTY MINISTER OF FISHERIES

Mr. ARSENAULT:

1. Did the Quebec United Fishermen recommend any person for the position of Deputy Minister of Fisheries?

2. If so, who was the person so recommended?

3. Did the Quebec and Northern New Brunswick Fish Producers and Exporters Association recommend any person for the position of Deputy Minister of Fisheries?

4. If so, who was the person so recommended?

Mr. MACKENZIE KING:

1. Yes.

2. Dr. Stewart Bates.

3. Yes.

4. Dr. Stewart Bates.

OLD AGE PENSIONS

Mr. FARQUHAR:

What part does the Department of National Health and Welfare take in the actual administration of pensions paid under the Old Age Pensions Act?

Mr. MARTIN: In the Department of National Health and Welfare there is a division called the Old Age Pensions division. The records of the provincial pension authorities are examined from time to time and the decisions of the pension authorities reviewed. Officials of the division work in cooperation with the provincial authorities to improve the administration and, as far as is practicable, to develop uniformity in the procedure for dealing with applications for pensions under the Old Age Pensions Act. In addition to the examinations in the provinces the division verifies the amounts charged by the provinces to the dominion as the dominion's share of old age pensions and pensions for blind persons.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME HOUSING—VETERANS—ST. CATHARINES

Mr. LOCKHART:

1. How many veterans' houses have been contracted for by Wartime Housing Limited in (a) Niagara Falls or adjoining townships; (b) Welland or adjoining townships; (c) St. Catharines or adjoining townships?
2. When did construction first start on these housing projects?
3. How many are completed and occupied or ready for occupation in (a) Niagara Falls or adjoining townships; (b) Welland or adjoining townships; (c) St. Catharines or adjoining townships?
4. What is the lot number, street number or plan number of each unit completed?
5. What is the cost of construction only of each unit completed to date?
6. What is the overall cost of each unit completed to date, including land, improvements, services and landscaping?
7. Have any contracts for sale to veterans been completed to date?
8. If so (a) to whom; (b) at what price; (c) where located, giving lot or street and number?

WAR ASSETS—BROCKVILLE MILITARY HOSPITAL

Mr. WEBB:

1. Has the building known as the military hospital at Brockville training centre been declared surplus?
2. If so, has it been sold?
3. To whom and at what price?
4. Were any representations made to the Department of National Defence or war assets corporation for the purchase of this building?
5. If so, when and by whom?

RADIO BROADCASTING—DOMINION-PROVINCIAL CONFERENCE AND ONTARIO BUDGET—NEWS COMMENTARY

Mr. CHURCH:

1. Who is the commentator that made statements about the dominion-provincial conference and the Ontario budget to which objection was taken in the Ontario legislature?
2. When was he appointed and what other positions does he now hold?
3. What government departments has he been an official of, and when, and what were or are his salary and other emoluments?
4. What action will be taken to have some regulation of news commentators and their statements?

Mr. GIBSON (Hamilton West): Return tabled.

RAILWAY GRADE SEPARATION

Mr. CHURCH:

1. What provision is now being made for grade separation in Canada?
2. What is provided for reconstruction work after the war for grade separation throughout Canada?
3. What part of it is devoted to the city of Toronto and on what projects?

[Mr. Martin.]

FAMILY ALLOWANCES

Mr. GLADSTONE:

What is the cost of administration of the family allowances programme, annually?

MOTIONS FOR PAPERS

CANADAIR LIMITED

Mr. FRASER:

For a copy of all correspondence, documents, contracts or agreements exchanged between the government or any agency of the government and Canadair Limited.

Mr. HOWE: Mr. Speaker, I have made inquiries and I find that the documents referred to which are now in the possession of the Department of Munitions and Supply occupy fifty-two filing cabinets, and that would be only part of the documents because I am sure that the R.C.A.F. also have from twenty to thirty filing cabinets full of these documents. That is an indication of how much correspondence is required to build an aeroplane. I think my hon. friend would hardly wish to have all these documents copied.

Mr. FRASER: Perhaps the minister will let me have the documents in regard to the sale of the property and the contract, because I would like to know who signed the contract for the government.

Mr. HOWE: I shall be glad to furnish my hon. friend with those documents.

Motion dropped.

Mr. FRASER:

For a copy of balance sheet of the Canadair Limited, as mentioned in section C, page 1542, *Hansard* of March 20, 1947.

LABOUR CONDITIONS

EMPLOYMENT OF NEWFOUNDLAND FISHERMEN AT LUNENBURG AND HALIFAX

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I be permitted to direct a question to the Minister of Mines and Resources, arising out of a telegram I received this morning, a copy of which I sent to the minister and so I do not need to read it. Is he aware of the fact that Newfoundland fishermen have been permitted entry to Canada and are being employed at Lunenburg and Halifax while 600 Nova Scotia fishermen are seeking employment, and can he do something about it?

Hon. J. A. GLEN (Minister of Mines and Resources): Mr. Speaker, I received notice of the question from the hon. member just before I came into the house. I am having inquiries made and will reply later.

INTERNATIONAL TRADE

BRITISH PREFERENTIAL TARIFF—STATEMENT OF SIR STAFFORD CRIPPS IN BRITISH HOUSE

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, on the orders of the day yesterday the hon. member for Danforth (Mr. Harris) referred to a statement made in the British House of Commons on Monday of this week by Sir Stafford Cripps on the subject of the British preferential tariff. The hon. member has asked me to make a preliminary statement to this house on the same subject.

In *Hansard* of March 17 last, at page 1415, my colleague the Secretary of State for External Affairs (Mr. St. Laurent) set forth at some length the position on the British preferential tariff shared by the British and Canadian governments having regard to approaching negotiations at the second part of the world trade conference, opening in Geneva on April 10.

This general declaration of policy is fully in line with the address I made to the Canadian Manufacturers Association, Ottawa Valley branch, on April 10, 1946, a copy of which the hon. member for Danforth very kindly sent over to me yesterday. I shall quote one paragraph from the statement I made at that time:

> The proposals to be considered by the world trade conference, I would like to emphasize, make it quite clear that all tariff changes are to be made on an agreed international basis. There is no question of any nation or group of nations being asked to make tariff reductions which will not be matched by tariff concessions from all the member countries.
>
> I know the historic contribution made by the system of imperial preference to the growth and expansion of our commerce. I am also ready to agree that this is not simply a question of trade, but is an issue which may affect the larger question of our relations in the British family of nations. Let me therefore emphasize as strongly as I can that Great Britain and Canada and the United States are all agreed that the one thing which has been decided upon is the procedure to be followed at the conference. There is no intention to abolish imperial preferences, or to agree to large reductions in imperial preferences in exchange for meagre or nominal reductions in the tariff of the United States and other countries.

What was said on Monday last in the British House of Commons by Sir Stafford Cripps does not, it appears to me, add to or subtract from this government's attitude on this subject.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, if I may be permitted a supplementary question, does the minister say that his statement is in full harmony with the statement made by Sir Stafford Cripps? If necessary will the minister make a supplementary statement showing the difference between what was said in this chamber and what was said in the chamber at Westminster, inasmuch as the Westminster statement definitely said that in certain instances imperial preferences would be reduced to expand imperial trade?

Mr. MacKINNON: I read the remarks of Sir Stafford Cripps as reported in the press. I did not gather that there was a positive statement as suggested by the hon. member for Danforth, but rather that the statement was along the lines of our own announced policy on the matter.

Mr. HARRIS (Danforth): The British *Hansard* report will be in the hands of the minister in due course.

CANADIAN CITIZENSHIP

FORM OF CERTIFICATE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Secretary of State. What progress has been made on the suggestion I made to him some weeks ago with respect to providing wallet-sized certificates for citizenship? I hope he will not be completely discouraged by the fact that only four hundred people have asked for and been granted citizenship papers.

Hon. COLIN GIBSON (Secretary of State): The hon. member was kind enough to lend me a sample of a birth certificate issued in Ontario. The citizenship branch is having inquiries made as to the possibility of using that type of certificate as an alternative to the large one which is being issued. Investigations are being made to find out what would be the cost of issuing certificates of that size, and the decision will be made known in due course.

Mr. CRUICKSHANK: May I ask the minister a question—

Mr. GRAYDON: May I ask a supplementary question?

Mr. CRUICKSHANK: Mine is supplementary.

Mr. GRAYDON: Mine is super supplementary. Has the speed of dealing with applications and granting certificates of naturalization gone up since the last report was made to the hon. member for Lake Centre (Mr. Diefenbaker)?

Mr. GIBSON (Hamilton West): I should like to make a short statement in regard to that. A question was placed on the order paper asking what was the number of citizenship certificates issued since the first of the year. I may say that the number given did not include the number of applications which have been received by the citizenship branch. During the war the naturalization branch was very much understaffed and applications had piled up which were dealt with in the early part of this year. Consequently in the first months of this year the branch was dealing with applications which had been on file and which had been carried over from the previous year. Citizenship certificates are being issued, and while there had been a delay owing to a change in the forms which were being distributed across the country, considerable progress is now being made in issuing certificates.

MEAT RATIONING

INQUIRY AS TO ALLOWANCE FOR UNUSED TOKENS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I have been delegated by my colleagues around me to follow the hon. member for Peel (Mr. Graydon) with an emergent question. I should like to ask the Minister of Finance whether any allowance will be given on the turn-in value of meat coupons.

BUSINESS OF THE HOUSE

PROCEDURE IN COMMITTEE ON RESOLUTION PRECEDING MONEY BILL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the order of the day is called may I say a word on the matter of procedure on a resolution preceding a money bill. I have had occasion to refer to this matter of procedure each session because of the length of time that has been consumed in discussion when similar resolutions have been considered to an extent and in a manner which is entirely contrary to the rules. I am referring at the moment to what it would seem may come to be possibly the case with respect to the discussion in committee on the resolution which will be called as the first order. It always seems that the government may be taking the point of view it does because of some particular measure that is before the house. It is not that. I am raising the point at the moment in order that hon. members may follow the rules of the house which have been framed in the interests of all hon. members.

Last year, with respect to a loan being made to the United Kingdom, I spoke in regard to the procedure in committee on the resolution preceding a money bill. With the permission of the house I should like to read a paragraph from what I said at that time with a view to pointing out that it applies equally to any and every measure of a similar character. The statement I made will be found in *Hansard* of April, 1946, at page 761:

> The rule is that a resolution must precede a money bill, but the resolution is intended merely as a notice to the house that a money bill is about to be introduced. It is not intended that the notice should be debatable; rather, the correct practice is that the resolution should be allowed to pass, the house go into committee and that, in committee, a statement be made on essential features of the bill which is later to be introduced, this to follow if so desired by some brief discussion. It is not intended that a lengthy discussion should take place at that stage. The discussion on the bill should come after the bill itself is introduced.

That statement is entirely in accordance with the rules of the house. It was made, as hon. members will see, in relation to the bill in respect to the loan to Britain at the last session, but it applies equally to the bill which is before us at the present time.

I hold in my hand a copy of Sir Thomas Erskine May's parliamentary procedure, fourteenth edition, as edited by Sir Gilbert Campion, who is the recognized authority on parliamentary procedure. At page 732 hon. members will find the following statement with reference to the scope of debate on resolution:

> Debate in committee on a financial resolution is confined to the terms of the resolution itself and must not be extended to the related bill.

These are the words to which I wish to draw hon. members' attention. As I looked over the debate yesterday I observed that a good many questions did relate specifically to the bill that is based on the resolution. It is quite contrary to parliamentary practice that the discussion in committee on the resolution should be extended to the related bill. I mention this simply because among other things, the length of time this session is likely to run is going to be very considerable unless we all observe strictly the rules of the house.

If we had observed the rule with respect to the introduction of the resolution itself and passed it in a formal manner we should have saved a week of discussion already. There has been a week of discussion on the resolution. Practically all of that discussion will be repeated when we come to the bill itself. If the house is to take an indefinite time in debate in the committee on the resolution there is no saying when the house will be able to get through the work of the present session.

Let me mention to hon. members that if, through discussion on this particular measure,

we run on to the end of April, three months of the session will have passed. There will remain practically all the business of the session still to complete. That will mean that at the end of April we shall up to that time have had no opportunity to discuss the budget; we shall not have had opportunity to discuss any of the estimates; we shall not have time for any of the ordinary legislation of the session. By the time we get on into the spring hon. members I am sure will be hoping that we shall not continue during the summer into the autumn. That is a consequence which must follow unless we do in some way seek to curtail unnecessary discussion. I do not wish to curtail anyone contrary to the rules. I do not want to suggest that there should not be the fullest and freest discussion. All I am asking is that hon. members shall follow the rules as they are set forth in the rules of the house. If the rules are not adequate, let us change them. So long as they are there, let us follow them.

Mr. GORDON GRAYDON (Peel): May I be permitted to comment on the Prime Minister's statement? There is no desire, as I think the Prime Minister will realize, on the part of our party to delay in any way the proceedings in connection with the matter—

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: I hope that kind of thing is not organized by the government. I wish to say to the Prime Minister that at the beginning of the resolution stage my leader made it very clear that this party was prepared to allow the resolution to go through on the basis that when we reached the committee stage there would be full opportunity on the part of opposition parties and others to examine the ministry, to ask and receive answers to questions.

Mr. MACKENZIE KING: The committee stage on the resolution or the committee stage on the bill?

Mr. GRAYDON: The committee stage on the resolution. I am not complaining about the leader of the C.C.F., although immediately afterwards he made a speech which raised many questions, and of course it could not be allowed to go unchallenged. I am careful not to hold him or anyone else responsible, because everyone in the house must take his own responsibility. I do not think, however, that this is the kind of bill that the Prime Minister had in mind when he was reading the opinions he had. This is not an ordinary bill. It is not really one bill but fifty-seven bills, and it is impossible to apply even custom, let alone the rules, to a bill in which there are fifty-seven units. The house is struggling to get information on the legislation as speedily as possible, having in mind the relation of dispatch to the public interest in general.

The Prime Minister has said that normally the minister in charge of the bill should make a statement on the resolution setting forth the essential features of the measure. But there are fifty-seven essential features to this resolution. While the Prime Minister has had long experience in matters of this kind, I still think it really gets down to the question of how a matter of this kind should be dealt with. That is a matter of opinion and I think the circumstances in which we now find ourselves will have to dictate the time that may be taken. I have not had nearly as long an experience as the Prime Minister, but I suggest that most members feel that not much time is wasted in dealing with a matter at one stage rather than another, because what members have to say at one time will seldom be repeated at another stage of the proceedings.

I beg your pardon, Mr. Speaker, for having taken so much time, but I felt called upon to answer the Prime Minister, because I am afraid that what he has said cannot meet with full agreement on this side.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I add this? I believe I was responsible for the initiation of the debate last Thursday evening. Looking at Beauchesne's Parliamentary Rules and Forms I find this:

> Minister moves that Speaker leave the Chair for house to go into committee of the whole on the resolution. Speaker puts question on motion. (Debate allowed.)

It may be that the Prime Minister is quite right that this procedure does prolong the consideration of a particular matter. A few moments ago he quoted from another authority. Sometimes we find that one authority is cited in this house for a particular procedure, and sometimes, another. But our own authority—I looked it up beforehand, I may say—does clearly state, though the rule may not be a good one, that the minister moves that the Speaker leave the chair for the house to go into committee of the whole on the resolution; the Speaker puts the motion, and debate is allowed.

That is why we began the debate last Thursday evening. If you turn to page 159 and look at 418, in the second paragraph you will find:

> The ordinary function of a committee of the whole house is deliberation, not inquiry. All matters concerning the imposition of taxes, or the grant of public money, must be considered in committee, as a preliminary to legislation;

and any other questions which, in the opinion of the house, may be more fitly discussed in committee, are dealt with in that manner. The provisions of public bills are usually considered in a committee of the whole house.

It was on our own book of rules, Beauchesne's Parliamentary Rules and Forms, that we based both the speech and the amendment we moved last Thursday evening.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): I enjoy listening to the Prime Minister, who has such wide experience in parliamentary matters, but he spoke about debating resolutions of this kind, and if I am not mistaken he said that the discussion should not be on the related bill. How could it be? We have not got it. I do not think we have the bill now, and therefore, as we have not the bill, we do not know what is in it and it is pretty difficult to discuss the bill itself.

There is a distinction between the procedure in England and procedure here. Naturally we have some of the principles of British rules, but we have custom according to our pattern, and the result is an entirely different stew. In the parliament at Westminster the purpose of the resolution on a money bill is to notify the members that the government has obtained royal assent to sponsoring a certain bill, and the purpose of the discussion—not the debate, mark you, sir, but the discussion of the resolution in the committee—is precisely to afford the opportunity to members of parliament to ask questions of the ministry and also to make suggestions in order to improve the bill with their own experience. This we may call debating, if we wish; but at the present time I presume that the bill is all cooked and is kept in the icebox of the Department of Justice and will be served to us on a silver platter a little later, as soon as we are through with this resolution. Therefore debating this resolution means positively nothing, because whatever bombshell we may find in the resolution will not affect the bill even if it explodes.

There is something more than the big book that the hon. member for Rosetown-Biggar (Mr. Coldwell) has quoted from. There is a very small book called Standing Orders of the House of Commons, 1936. One day a member of parliament of ten years' experience asked me, "What do they mean by standing orders?" I said, "They are the regulations of the house, the rules of the house." I have the standing orders in my hand, and at page 17, rule 38, paragraph 1, I read:

> 38. (1) The following motions are debatable: Every motion
> (a) standing on the order of proceedings for the day (except government notices of motion for the house to go into committee at a later date);

[Mr. Coldwell.]

This motion is on the order of proceedings for the day and therefore it is debatable. I am the more at ease in making these remarks, in all humility and candour, for the reason that I have not spoken on the resolution since it has been before the committee. But I am interested in getting some information; there is no man on earth who will prevent me from asking for it, and I will stand up again and again until I get it, because I want to be informed, even if the bill is cooked and is in the refrigerator of the Department of Justice. I want to get some information about this resolution. The denial of that right is antidemocratic, and I am sure the Prime Minister will not insist upon it. I am just as anxious as he is to get rid of the session and go home, although I enjoy the company of my colleagues. I find that my part of the country is the finest in the land; it is God's country, but I am here to do my duty. It is a great sacrifice for me to stay here, and my reward will be to get the information I ask for every time I ask for it. I am sure the Prime Minister is too fair-minded to insist otherwise. Therefore we must take with a grain of salt everything that is said regarding the interpretation of the rules. Campion is a famous author. For a long time he was assistant clerk at Westminster, and if I am not mistaken he is the clerk now. I know he is a great man; I know his book, but to quote from that book as against a standing order which is our rule of debate in this house—I do not say our rule of discussion, but our rule of debate—is not fair. We cannot quote Campion against rule 38, paragraph 1.

Therefore, sir, I suggest, not for your benefit but for the benefit of hon. members who were interested in that debate—because you are in the chair and it was a debate; when the chairman is in the chair, when the house gets into committee, it is discussion—that our rule is the contrary. The rule means debating. I am sure we shall be treated fairly in the future as we have been in the past, and we can take it that when we ask questions it is not done to delay proceedings but to satisfy our minds and get the information we think is in the public interest.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I would not venture, especially in the presence of so many experts, to offer an opinion on the rules, but I do wish to say something on what seems to me to be the reasonable common sense of this situation. We have here, as has been pointed out already, not one bill but in effect fifty-seven bills.

Some hon. MEMBERS: Not yet.

Mr. MACDONNELL (Muskoka-Ontario): Ordinarily when a resolution is moved by a minister he gives an explanation of the ambit of the bill to follow. Here, if I remember well, when the minister introduced this measure he gave an explanation or a reference to practically only one, or perhaps two or three, but certainly very few of these fifty-seven orders in council. If I remember well he confined himself almost entirely to the wartime prices and trade board. Therefore I submit that we are in a very special situation here, and that questions at this stage are on an entirely different basis from what they would have been had the minister in his opening statement referred seriatim to these fifty-seven orders in council which in fact we have before us and which we cannot ignore, because they have been placed in our hands.

Mr. CHURCH: Why not sit in the mornings?

Mr. ILSLEY: When a minister is introducing a new bill he explains that bill, but these fifty-seven orders in council are the law of the land, and have been for years; and they do not call for any explanation at the resolution stage.

Mr. MACKENZIE KING: My purpose in rising was to try to prevent two debates where one should suffice. It seems that I have succeeded only in provoking a third debate. However, I should like to say just this word to the acting leader of the opposition (Mr. Graydon) and the leader of the C.C.F. party (Mr. Coldwell), who referred to Beauchesne, or to his own experiences in the house as to the rules and as to what is permitted or involved in following them. In my hand I have what I might speak of as Beauchesne up to date. Before coming into the house this afternoon I rather expected someone on the opposite side would quote Beauchesne as against what I might wish to say, so I asked the Clerk of the House if he would give me a statement on this point which I could read to the house as authoritative. The statement given me is as follows:

> The adoption of the resolution is merely a formal matter and it is often allowed to pass without discussion. The stages of procedure where the principle involved and the details of the measure may be discussed are the second reading of the bill, committee and third reading. When this rule is not applied there is always a repetition of debate.

A moment ago my hon. friend the acting leader of the opposition said his experience had shown him there was not much repetition. Well, the Clerk of the House has had a very long experience and close observation of these matters and he says when the rule is not applied there is always a repetition of debate, and I think that has been the experience of everyone. My purpose is none other than that of trying to economize the time of the house in having its rules obeyed. I cannot agree that because there are some fifty-seven orders in council attached to this bill, therefore the bill is not in the regular form. The Minister of Justice (Mr. Ilsley) answered that question completely and satisfactorily in what he just said. Really there is in fact less justification or reason for asking questions in committee in connection with this resolution than is frequently the case, since, as the Minister of Justice has just said, these orders in council concerning which questions are being asked have been the law of the land right along for some time and should be and are known to every member of the house. All that is essential in the committee stage on the resolution is a general statement or statements in regard to what is of special significance in the bill based on the resolution. As to this bill, hon. members know much more about what it contains and involves than in the case of most other legislation. So I would submit again that if we wish to get through with the business of the house in a way that will accommodate hon. members most satisfactorily in the end we shall best do so by observing the rules of the house.

Mr. SMITH (Calgary West): And reconsidering the Easter recess.

Mr. HACKETT: Mr. Speaker—

Mr. SPEAKER: Order. Hon. members will realize that there is nothing before the house. The Prime Minister asked permission to make a statement in reference to a resolution which is under consideration in committee of the whole. No one protested, so the right hon. Prime Minister made the statement; the acting leader of the opposition made a statement; the leader of the C.C.F. party made a statement, and something was said by other hon. members. I believe the house has been sufficiently generous, and I do not believe it would be the general desire to waste more time in discussing a way to save time on this resolution. I suggest that hon. members proceed with the business of the house.

Mr. HACKETT: May I say, Mr. Speaker, so far no one has protested, and unless you express in more formal terms your desire that I resume my seat—

Mr. SPEAKER: Order. Unless the hon. member has the unanimous consent of the house I would ask hon. members to proceed with the business of the house.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Tuesday, March 25, consideration in committee of the following resolution—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

Mr. HACKETT: Mr. Chairman—

Mr. POULIOT: Mr. Chairman—

The CHAIRMAN: Order. The hon. members will kindly resume their seats. The house in committee of the whole on a certain proposed resolution to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. We had considerable discussion in the committee last evening with respect to procedure, and further discussion in the house this afternoon. I am hopeful that the committee will discuss the terms of the resolution only, and not refer to the bill. The hon. member for Stanstead.

Mr. HACKETT: Mr. Chairman, I was anxious to accept the invitation of the Minister of Justice and refrain from any comment on the resolution, but as matters now stand, and in view of the remarks that have been made to us this afternoon, it seems that further information is necessary, and I have no reason to think that the minister will not be glad to supply it.

The resolution assumes that a national emergency exists; it rests on the assumption that such an emergency exists. In the course of his remarks the minister told the house that the cost of living in the United States had advanced, since the close of the war, by eighteen per cent, while in Canada it had increased by but six per cent. I wanted to know if he would be good enough to tell us if in this computation of six per cent had been included all subsidies, all bonuses, all remissions of duties, all remissions of excise, and other sundry sources of revenue which are denied to the crown by reason of the alleged emergency.

[The Speaker.]

Mr. ILSLEY: The answer is no.

Mr. ROSS (Souris): Therefore it does not mean anything.

Mr. HACKETT: Then if the minister tells us that the increase in the cost of living in Canada has been but six per cent, and in computing that six per cent he has not taken into consideration all the bonuses, all the subsidies, all the remissions of duties and all excises, as well as other gratuities which have been paid and sources of revenue which have been dried up, I submit with great deference that his statement that the cost of living in Canada has increased but six per cent is incomplete, and cannot be relied upon; and that it may very well be that in this country, where we have been operating under a system of controls, the cost of living may have increased quite as much as it has in that country which has been held up—I shall not say to derision—but as an example of great misfortune and of bad judgment, owing to the fact that it has released its citizens from these controls.

Mr. JACKMAN: The awful example.

Mr. HACKETT: I submit it is not appropriate that the chamber should be asked to pass the resolution until information is made available to us establishing that the emergency still exists. If the cost of living is as high here as it is elsewhere, then that ground advanced in support of incorporating into statute form these orders in council, which were resorted to for the period of the war, vanishes.

We have also heard something about the danger of inflation. I would be very much interested in knowing to what extent inflation is the actual result of government policy. We have been told, upon reasonable authority, that half of the war was paid for out of taxes, that something like two-sixths was paid for out of borrowings and that the remaining one-sixth was paid for by inflation, by the printing press. I am asking the Minister of Justice if he will say whether that is approximately true. I know he is not Minister of Finance today; but I am likewise aware that he knows probably better than any other member in the house, or indeed any other person in the world, the details of Canada's financing. I will ask him if it is true that relatively one-sixth of the cost of the war was paid for by Bank of Canada borrowings.

Mr. ILSLEY: Mr. Chairman, I would not dare answer that question without—

An hon. MEMBER: I would not think you would.

Mr. ILSLEY: Oh, now! I would not answer that question without verifying those figures from the Department of Finance. I do not know whether that is so or not.

Mr. HACKETT: I do not want to be unfair to the Minister of Justice because, in fact, he is not Minister of Finance at the present time. But knowing his mastery of the whole situation, knowing his knowledge of details and his gift for carrying them in his head, I would ask him if he would tell the committee whether a certain proportion of the cost of the war was not financed by that device known as inflation.

Mr. ILSLEY: It was not financed by that device known as inflation. There was some.

Mr. JACKMAN: Well—

Mr. ILSLEY: Let the hon. member for Rosedale answer, then. It was not financed by that device known as inflation. There was some inflation of prices, of course, during the war, in this country, as there was in every other country; and there was some borrowing from the Bank of Canada and some borrowing from the chartered banks. That borrowing from the Bank of Canada and from the chartered banks increased the volume of deposits and currency in the country.

An hon. MEMBER: Considerably.

Mr. ILSLEY: Yes. To the extent that the government availed itself of the money which it borrowed from the banks, that process assisted in the financing of the war. But that of itself is not inflation.

I presume the hon. member is talking about inflation of prices. Inflation of prices may follow from the borrowing by governments from banks. But the two things should not be confused. When the hon. member asks me whether we financed by inflation, I say no. We financed to some extent by borrowing from the banks.

Mr. HACKETT: What I am trying to get at is this: Whether we called it inflation or called it by some other name, did we not resort to practices which resulted in a greater issue of currency upon the same amount of security?

Mr. KNOWLES: Greater production of goods and services.

Mr. HACKETT: My question stands; you ask your own.

Mr. ILSLEY: The same amount of security?

Mr. HACKETT: Yes.

Mr. ILSLEY: What kind of security is the hon. gentleman talking about? Is he talking about gold? The Bank of Canada divested itself of its gold and thereafter the Bank of Canada did not have gold as a basis for its issue.

Mr. QUELCH: Did we not go completely off the gold basis during the war?

Mr. ILSLEY: Yes.

Mr. POULIOT: I should like to ask just one question of the minister, but it is a two-fold question. He may not have the information before him now but it should be easy for him to get it. In order to be able to discuss sensibly, not only the resolution but the bill, we should know what commodities are now affected by controls. I am not asking for information about the orders in council because they have been published in book form, but I want the minister and the committee to understand just what I wish to know.

There are a certain number of commodities such as butter, shoes, sugar, milk, hats, ladies' wear, et cetera, which have been rationed or which have been under control. I should like to know why these commodities have been placed under the controls. Certain controls have been lifted while others are still in force. I should like to know why certain controls have been lifted and why other controls have been kept in force. There should be a tabulation to indicate, on the one hand, why controls have been imposed and, on the other hand, why other controls have been lifted. It seems to me that that information is necessary if we are to understand the working of the controls.

I presume it will be impossible for the minister to supply this information now but it should be easily prepared and available tomorrow or on Friday. Then hon. members will know exactly what commodities are under controls at the present time, what commodities are not under controls and what was the reason for the imposition of the controls. I have been informed by some of my friends that the reason why such a large number of hon. members voted in favour of the resolution yesterday was the requirement that a special permit is necessary before a new business can be started and that trusts and cartels and others do not want any new businesses. Apparently that was one reason why such a large number of hon. members voted for the controls.

I was told also by reliable people that another reason for the large vote was the fact that retail, wholesale and manufacturers' prices are established and that some people who are close to the strings may pull them so as to keep the controls in force. That is

not my opinion; it is just a rumour which has spread quite widely. Perhaps I could go a little farther in explaining my question because it is a serious question. I received one of the greatest honours I have ever received when the hon. member for High Park asked one of my questions the other day.

The argument in favour of price controls is that they are imposed to prevent the exploitation of the people, but I submit that the people are not being protected as they should be when the controls are lifted and even when they are still in force. I have not a complete list of the articles that are offered for sale, but from what has been said to me by big businessmen, during the war shoes were classified on the basis of samples which were submitted to the board by the manufacturers. These manufacturers used rubber and other material of a minor quality to make up the samples. The shoes were not as good but they were sold either at the same price or at higher prices.

Last year there was an increase in the price of agricultural implements. This came as a bolt from the blue. It was a surprise to all of us. It was announced by my right hon. friend the minister apparently as a matter of routine. Not a word was said to me about it, but I know that some of his colleagues looked surprised when the announcement was made in the house. It was decided that agricultural implements would sell at a higher price than before. There are all sorts of things like this that should be investigated. Does my right hon. friend think a pair of shoes is worth $16? Does he think a hat made from material costing $1, or perhaps only fifty cents, with from twenty-five to fifty cents worth of work on it, should sell for $15, $25 or $30?

An hon. MEMBER: It is the idea.

Mr. POULIOT: The idea is to exploit the people. If it was known that the people were being exploited, how is it that the prices board ignored that fact? I understand that is why some controls are lifted, to please a certain class of individuals, but the exploitation is that of the people.

What about shirts? Is it possible to buy a good shirt today for less than five or six dollars? And the price is rising. The information that was given to me by a man of considerable experience and by others, was that the shirts that we are now paying five dollars for are not worth more than a dollar and a half or two dollars. There is exploitation. If price control exists and is now in force the control must be incompetent. If price control has been lifted from these goods, the price control board is equally incompetent because it does not impose controls on things which should be controlled.

Mr. PROBE: What about baby diapers?

Mr. POULIOT: I spoke of them a long time ago, and the authorities did not know that flannelette was used for that purpose. They thought it was used only for nightshirts. I gave an interview to the press on that, and I have it upstairs.

The ambition of the working man who makes a pair of shoes or a shirt or a suit of clothes is to have enough wages to be able to buy what he makes. That is a natural feeling. But when there are middlemen who make an undue profit at the expense of the masses of the people by overcharging them, that should be stopped, and it is the duty of the government to tell the prices board definitely to stop those practices which make the common people lose all faith in our democratic system.

Is it possible today to buy a shirt of average quality for less than $5? It is impossible, and the shirt that we pay five or six dollars for is not worth any more than two dollars and a half. Why is that? Is there any man who will say that, even if we have a slight touch of inflation, it is reasonable to pay $16 for a pair of shoes? You can go into a store and you will see shoes marked at from twelve to sixteen dollars, and the shoes are not worth more than three or four dollars. Where does the difference go? Not only that but it is very hard to get a suit of clothes. The other day I met a colleague of mine in the house. He was very well attired and I said, "This is a new suit you have on?" He said, "Yes". I said, "You look very well in it," and he said, "Well, I must because I paid $120 for it." That is a considerable sum of money, and there is no interference from the prices board.

Mr. LOW: Was it worth $50 before 1939?

Mr. POULIOT: I am not a tailor but I know that before 1939 one could buy a first class suit for $45. If prices had doubled in the interval, that would be only $90 today. But that is how it goes all along the line, and the answer we have from the prices board is that they are protecting us.

Take chocolates, for instance. You go into one store and pay seventy cents a pound for a box of chocolates. Go into another store and you will pay $1 a pound, and in another store you will pay $1.25. How is it there are different prices like that for ordinary chocolates? It reminds me of a trip I made to the Magdalen islands some time ago. I was a young boy and I went into a store which had three different kinds of chocolates. One kind

was twenty-five cents a pound; another kind, fifty cents a pound, and the third kind, seventy-five cents a pound. I was young; I was earning my first money, and I asked the storekeeper for some chocolates. The man sold me chocolates for twenty-five cents a pound, but that was a favour he was doing me. I said, "That is a very reasonable price," and he said, "Yes, but if you were a married man and you came in here with your wife wanting chocolates I would sell you fifty-cent chocolates. That is a little better than the ones we sell to children and a little less extravagant than the ones we sell to boys who call with their sweethearts." The price for children was twenty-five cents; for married men, fifty cents; for boys with their sweethearts, seventy-five cents—all for the same thing.

Mr. CASTLEDEN: That is private enterprise for you.

Mr. POULIOT: No. It was private enterprise uncontrolled by individual honesty. If there were more honesty in business I believe that the number of those who advocate control would be much smaller.

I wish to pay a special tribute to my hon. friend the member for Beauce (Mr. Dionne) for the excellent speech he made last week. He also spoke very well this week. He is a man of wide experience, and I am ready to support him in many of the things he said. He told me that there are people, even outside Canada, who go into a store to buy a definite thing costing such-and-such a price and if the article is marked for sale at a cheaper price they will not buy it. They judge the quality by the price, and naturally the merchants cater to their stupidity. We cannot prevent that; it is only human. But the public at large should be protected, and the necessary measures should be taken in order to protect those who go to buy anything so that no one will take advantage of their good faith or of their credulity.

May I say to the minister that I have made these remarks in the best possible spirit, so that if we are to have controls we shall have controls that really help. I am against the form of control that we have now because all or most of those who are in control are infallible; what they decide is the word of gospel; they accept no suggestions for changing anything from anybody. Their word is final. I should like to have the same recipe as they have, as those who succeeded in getting an increase in the price of agricultural implements. I should like to have their recipe for adjusting certain prices. Having said that, I hope something will be done for the betterment of present conditions so that the people will not continue to be exploited as they are. We are exploited; everyone is exploited. Take, for instance, the grain companies. They have an organization to sell flour; they have subsidiaries to sell bread and pastry. They sell pastry at a profit of 400 per cent. They may make lots of profit but there are others who cannot make any. It is not fair, and the people are exploited.

Some years before the war I read an article which was published in a magazine showing the exploitation of the people of the United States in the sale of drug store items. It was formidable. The items consisted of things that are in daily use in the home and they were sold at an extraordinary profit, an abnormal profit. All that should be corrected if we have an organization to see to it. Perhaps there are better systems than that. They may be explained sooner or later. I am sure that hon. members will give the minister their suggestions for improving conditions that are bad, and at the same time they may say what is good in the whole system. I am sure it will work well only when it is under the direct responsibility of the minister, at the same time the minister being responsible to parliament.

Mr. ILSLEY: The hon. member asked a few questions which I think I can answer now. He asked why certain goods were subject to rationing. I gathered from the nature of the goods he mentioned that he did not mean coupon rationing; he meant why they were subject to orders providing for their equitable distribution. I do not know whether there are outstanding orders in any number providing for the equitable distribution of goods at the present time, but there was a time when there were many orders providing for the equitable distribution of goods.

Mr. GREEN: Can we have that information at the present time?

Mr. ILSLEY: Yes, I can get that. The reason for the orders, of course, was the shortage of the goods. When there were not enough goods to supply the trade and the public, the board provided for their equitable distribution.

With regard to rationing in the ordinary sense, there are just two articles subject to rationing since the announcement of the Minister of Finance this afternoon. The two remaining articles are butter and sugar. The reason there is the same one that I gave for the orders for equitable distribution, namely, that the demand is greater than the supply

The hon. member asked me to give the committee the names of articles that are controlled. In one sense the prices of all goods and services are subject to control, because one section of the wartime prices and trade board order starts with these words:

That no person shall sell or offer for sale or supply any goods or services at a price that is higher than is reasonable and just or withhold any goods or services from sale or supply for a price that is higher than is reasonable and just.

It will be apparent that that provision is an extraordinarily difficult one to enforce. The reliance for enforcement must be based mainly on ceilings.

Perhaps the hon. member meant to ask me what articles are still subject to ceilings. Nearly all goods and services were at one time subject to ceilings, but in the summer of 1946 I made a statement in the house in which I said that thereafter only those goods and services which were named in the statement would be subject to ceilings and that others would be free from the control of ceiling prices. The control there would simply have to be the control that is found in the provision I have read, namely, that the prices of these must be not greater than what is reasonable and just. I have not that list before me, nor is it material, because in January the present Minister of Finance made an additional statement. His additional statement is found at page 67 of the report of the wartime prices and trade board. At that time the list of goods and services remaining subject to maximum prices was reduced. The list is still a long one. That list, in condensed form, but nevertheless complete, was published in the papers last January. It is a long list of classes of goods and services rather than of specific goods and services. I have before me the notice which was published in the paper, but of course it is so long that it would be difficult for me to incorporate it in my present remarks. I am informed by the officer of the wartime prices and trade board that probably seventy or seventy-five per cent in volume of all goods are still subject to ceiling prices, although great numbers of categories have been released from the control of ceiling prices.

The hon. member asked the reasons for removing ceilings, for removing articles from control. These reasons were set out in the statement made by the Minister of Finance on January 11, and the part of the statement enumerating these reasons is found on page 68 of the report of the wartime prices and trade board.

Mr. HACKETT: For the year 1946?

[Mr. Ilsley.]

Mr. ILSLEY: The 1946 report. The statement was made on January 11, 1947, and it is in the 1946 report. The Minister of Finance said:

There are a number of reasons behind the choice of these items for release from price control.

Improvement in supplies. When supplies are good, and particularly when they are sufficiently ample to produce prices below established ceilings, as in the case of a number of fresh vegetables, there is every reason for decontrol. When supplies of goods which are not fully adequate show every sign of improving further and when competition is increasing, as in the case of many household articles, there is also strong reason to remove price control. When competition in world markets is becoming keener and supplies are fairly satisfactory, as is generally the situation with fish, removal of price control is justified, though in some cases it remains necessary to maintain control over the quantity of exports to assure sufficient supplies in the domestic market.

Administrative problems. The burden, expense and complexity of administration when viewed against the lessening risk of serious price advances threw the balance toward decontrol in some fields. To an increasing extent, the relationship of prices as between standard and new lines in some businesses appeared to be having the effect of encouraging the production of new lines at the expense of output in lower-priced standard lines. This problem existed in regard to furniture and some household utensils and could not, at this stage, be entirely met under the general price control policy. Then again, there were a number of fields in which necessary price adjustments were pending. When this was the case and when it was believed that competition was growing and consumer resistance likely to develop in any event, decontrols seemed to be the best course.

There was also the risk that ceiling prices might come to be regarded as minimum prices—as the prices which the government authorized sellers to charge. Accordingly, in some cases where the threat of sharp price increases was passing, the government was disposed to withdraw from price control and to let the trade consider its own longer-range position without any suggestion of government intervention.

In the case of some imports such as tapioca, arrowroot, and peanuts, it was necessary to choose between alternatives of letting the going world price be reflected in Canada, of maintaining ceilings by payment of substantial subsidies, or of going without such imported commodities. In these circumstances, the course of decontrol was chosen.

That constitutes a fairly complete statement of the reasons for decontrolling any particular article or class of articles. I am unable to deal with the specific commodities mentioned by my hon. friend, but one can imagine the difficulty of effective price control of articles such as women's hats, because it is not possible to relate them to the prices charged for the same kind of hat in the fall of 1941 when there was not the same type of hat. With the passage of time, the ceiling

principle becomes more and more difficult to apply to the control of prices of certain goods. The same considerations apply to many other commodities. It is impossible in price control to do a scientifically complete or perfect job. There will be some undue profits, no matter how competent the officials may be. They can only do their best.

Mr. QUELCH: I wish to ask a question regarding the government's general policy on subsidies. I understand that during the war the government's justification for the payment of subsidies lay in the fact that they considered that the saving to the consumer would be greater than the cost of taxation, owing partly to the danger from a spiral of inflation. I think that is generally correct, and the spiral of inflation would not be due so much to the expansion of money but would be due to the fact that, although there had been a tremendous increase in production, somewhere in the neighbourhood of fifty per cent of that production was drained away from the channels of consumption for war purposes, and therefore the money paid out on that production would become a demand against consumption goods left in the country; that is, generally speaking. Then, coming to peace time, I understand the government's attitude toward subsidies is this, that they do not consider they would be justified in continuing the subsidy at a time when the cost in taxation may become as great as the saving to the consumer from the subsidy. Is that correct?

Mr. ILSLEY: I do not know that I can state the view of the government in that regard. I should think it would be pretty doubtful whether the payment of a subsidy is justified when it is simply the transference of purchasing power from one group of Canadian citizens to a slightly different group of Canadian citizens. Other considerations might enter in. It might, as a matter of social policy or something of that kind, be desirable to make that transfer of purchasing power, that redistribution of wealth, but it certainly would not be a policy for the prevention of inflation under these conditions. From the point of view of inflation prevention, it seems to me that when that point is reached subsidies should be abolished, if they are being considered as an anti-inflation device.

Mr. QUELCH: On the other hand, if later on we reach a position such as the governor of the Bank of Canada indicates in the 1946 report, where we may have great difficulty in maintaining demand against our production, then it might be advisable to pay a consumer subsidy in order to expand demand within Canada. But, as the minister says, if that subsidy is paid from taxation, then the cost in taxation may be as great as the saving to the consumer and therefore you would not be increasing demand. The minister must admit that if that subsidy were paid from some other source than taxation it might be possible to expand demand in relation to production. It might be from idle savings, although, if you have to repay those savings at a later date you will still have the problem of a deficiency of purchasing power to deal with. You could finance the subsidy from the expansion of money through the Bank of Canada.

Mr. ILSLEY: I think we are getting too far from the resolution. We are getting into the realm of monetary theory.

Mr. QUELCH: But the resolution provides for the continuation of orders in council in relation to subsidies, and I was trying to get from the minister what the government's policy was on subsidies in peace time. He agrees that, generally speaking, so far as he himself is concerned—he may not be speaking on behalf of the government—in his opinion the consumer subsidy should stop when the cost in taxation becomes as great as the saving from the subsidy.

Mr. ILSLEY: I would have to add the qualification, unless it is desired for another purpose entirely, and I have used the term "social policy"—the redistribution of wealth. A policy of that kind, taking money from some people and giving it to others, might be desirable under certain conditions.

Mr. MacINNIS: Would not the cost in taxation always equal the amount of the subsidy? I do not see how it could happen that the cost from the tax with which the subsidy was paid would be more or less than the subsidy itself.

Mr. QUELCH: Less.

Mr. MacINNIS: We shall let the minister answer that later. It is a mathematical question that is capable of answer one way or the other. If you tax $100 million out of the taxpayers and pay that amount in subsidies, that amount of subsidies is equal to the tax.

Mr. QUELCH: But suppose you have a spiral of inflation?

Mr. MacINNIS: I am not talking about what it would prevent or would bring about. I am talking about the point that has been raised, that the tax would be more or would be less than the amount paid in subsidy, which cannot happen.

The other point I would ask the minister is this. There might be a great deal of

money available for the purchase of goods, or normally in circulation, but that money would not reflect itself in the purchase of goods unless it were distributed to the people or were in the hands of the people who needed goods.

Mr. ILSLEY: Was that a question? I thought that what we were comparing was not the amount paid in taxes with the amount paid out in subsidy. Of course ordinarily that would be equal; but the amounts we were comparing were, on the one hand, the amount paid by the taxpayers in taxes and on the other hand, the amount saved by the consumers in prices. I am satisfied that the amount saved by the consumers in prices was many times greater than the amount paid in subsidies.

Mr. MacINNIS: That was a matter of the control of prices.

Mr. ILSLEY: Yes.

Mr. MacINNIS: It was not a matter of the subsidies.

Mr. ILSLEY: The subsidies made the control possible. The hon. gentleman is right; prices had to be controlled, too, but if there had been control alone without subsidies over a certain period there would have been no production.

Mr. JACKMAN: The minister made a considerable point of the fact that the increase in the cost of living in Canada since the war ended had been only six per cent, whereas in the United States, where controls have been abandoned, the cost of living index has risen eighteen per cent. My colleague the hon. member for Stanstead asked the minister whether or not the matter of subsidies, on which we spend a good deal of money each year, was taken into account when the Canadian cost of living index was computed. The minister said it was not, and I believe he went on to say he did not have the figures available. I should like to follow that up with several other matters which I think affect the cost of living index in Canada, and I wish to know whether the minister is able to tell us if these have also been taken into account, or if they have been neglected.

First of all, I refer to the matter of exports. To give a practical example, we find that in the lumber industry of this country we are allowed to export about forty per cent of the total cut, of which a large part goes to the United States where there is no price control on that product. As a result, our mills in Canada receive a great deal more money for this lumber which is exported, and the Canadian price on lumber used in domestic construction, and in other ways where it enters into the cost of production and therefore the cost of living, is kept down. The proof of this statement lies in the fact that if a producer of one of these commodities, part of whose output is exported, finds that he is not making a satisfactory profit on his domestic sales and applies to the wartime prices and trade board for an increase in price, clearly showing that he is receiving, let us say, $50 per 1,000 board feet for his domestic output and $75 or $80 for his exports, he will be told, "Yes, but your overall profit is satisfactory. Therefore, even if you are losing on your domestic output you are making enough on your exports to give you a fair over-all return." I am not quarreling with that policy, but I wish to point out that our cost of living index is manifestly unfair because we are taking advantage of a free market in the United States, where prices are uncontrolled, in order that in Canada we may quote prices which are substantially below the cost of production. Perhaps the minister will look into this matter—he may have the figures available from the wartime prices and trade board—and tell the committee just how much higher the cost of living would be in this country but for the fact that we take advantage of the free market in the United States and perhaps other countries. Then we may be able to get a true picture of what the cost of living index really would be in this country and whether or not controls have been a good thing for us. I am suggesting that it is unfair for us to sell part of our product in a free market and use the profit in order to show an unfair comparison with prices in our own market.

Mr. ILSLEY: Unfair to whom?

Mr. JACKMAN: The comparison is unfair to the Canadian people if you are trying to show what controls have done, because you are taking advantage of an uncontrolled market across the line. I am not saying that is a bad thing for Canada, but a comparison of the costs of living in the two countries is unfair because our cost is artificially lowered by reason of the fact that we are taking advantage of a market where the price is higher as a result of the removal of controls.

Mr. SINCLAIR (Vancouver North): But it is lower; the Canadian purchaser does pay less.

Mr. JACKMAN: Yes. If the hon. member had been here when I began my remarks he would understand the point I am trying to get at.

Mr. SINCLAIR (Vancouver North): I was following my hon. friend very closely.

Mr. JACKMAN: In the beginning I said many products were sold in Canada at less than the cost of production because part of the output of the particular factory or mill is sold in a foreign country where prices are uncontrolled, and that therefore our cost of living index has in it an element which is below the cost of production by reason of the fact that we are selling in a free market across the line.

Mr. SINCLAIR (Vancouver North): That is good government in Canada, I would say.

Mr. JACKMAN: I am not objecting to that. It may be good government; I am not passing judgment on the policy, but I suggest that it is unfair to compare the cost of living in Canada with the cost of living across the line.

Mr. SINCLAIR (Vancouver North): That is the cost of living.

Mr. JACKMAN: I did not say it was not, but I am suggesting that we are selling many products in this country at less than the cost of production, which is obviously an artificial situation.

Mr. SINCLAIR (Vancouver North): The Americans are getting value for their money.

Mr. JACKMAN: The hon. member can make his speech later if he wishes.

The next point I desire to make is that I hear it said—and perhaps the minister can confirm my impression or disabuse my mind —that when price increases are asked for by manufacturers or producers they are much more likely to receive favourable consideration, if they have a just case, if the particular product on which they are asking the price increase is not included in the cost of living index. Perhaps the minister would be good enough to furnish the committee with a list of those products on which price increases have been granted, let us say since June 30, 1946, when the OPA went out of existence in the United States, and a list of those products in regard to which applications were made for increases but on which increases were refused, so that we might find out by a quick reference whether or not there is any truth in this assertion which is heard so frequently.

Another point which also affects our cost of living index is the fact that almost immediately after the OPA disappeared in the United States, or only five days later, we did away with the differential in our dollar exchange rate with the United States, bringing the Canadian dollar to parity with the currency of that country. I am not complaining just now about that action, but I wish to point out that there is an element of unfairness in our cost of living index by reason of that change, as compared with the United States index. What actually happened was that it was made ten per cent easier to buy a vast quantity of commodities in the United States because the Canadian dollar was raised to parity in place of a ten per cent discount as compared with the United States dollar. Undoubtedly that had an influence on the price we had to pay in United States dollars for orange juice, citrus fruits and all the great number of commodities we buy in the United States. That had an effect on the cost of living index which, I believe, invalidated it in reference to any comparison with the United States cost of living index. At that time we had an estimated $1,500,000,000 of United States exchange, and the change in the exchange rate cost this country, on paper at least, about $150,000,000, quite a substantial amount and which undoubtedly would have a real effect on the cost of living index.

What I suggest to the minister is that if he could answer these points which I have raised, and perhaps have his department calculate the effect which they otherwise would have had on the cost of living index in Canada, we might find that, in place of our cost of living index not having gone up as much as prices in the United States, despite the continuance of controls in this country and the arguments offered for further continuance, there has not been very much difference between the cost of living here and the cost of living across the border.

The minister has not mentioned the fact that under these price controls we have black markets, the extent of which is perhaps not as widely known to government agents as it is to people in various businesses, where it has been found that legitimate business, from which a reasonable profit is expected, is put out of operation because black marketeers can make large profits and cut into the trade. In fact, some of them are making so much money that they have firmly established themselves, and are likely to be with us, perhaps on a legitimate basis, for many years to come, all to the detriment of the ordinary trade and the ordinary Canadian taxpayer.

Furthermore, while we point to a comparison of the cost of living index here with that in the United States, nothing is said about the control of standards. It is well known by the wartime prices and trade board that, while a price may remain the same on a particular article, the standard of quality may bear no relation whatsoever to the pre-war standard.

As a matter of fact, very often these controls are nothing more or less than protection of inefficiency. Some businessmen like them because if they get a fixed price for buying and a fixed price for selling, with an adequate margin, they are content, and would like to see a continuation of that system. On the other hand, one of the greatest virtues of the whole system of free enterprise is that those who are inefficient disappear. If they cannot hold their own and render service to the people at reasonable prices, it is soon found that someone else takes their place and their business. As a matter of fact, when the government asks for the continuation of so many of these controls it should be remembered that during the war years we greatly increased our industrial capacity—perhaps by forty per cent—and managed to keep ourselves supplied. Furthermore, a million of our best young men and women were engaged in war industry, while another 800,000 of our best young people were in the armed services. Of that total of 1,800,000, at least 1,500,000 seem now to be employed, and engaged in turning out goods for peace time, in place of goods for war.

Surely the time has come when we can have competition, and when we can have goods available, if the free system is allowed to have its head and really get going. We had an example when only the other day the Ford Company of Canada reduced the price of its product, voluntarily; because all businessmen, and particularly those who really understand about business—I speak more particularly of the larger concerns—are united in thinking that the last thing they want is to see a run-away market, from which economic chaos would result.

Mr. NICHOLSON: What was the percentage of reduction?

Mr. JACKMAN: I do not know what the percentage of reduction of the Ford Company was, but one of my colleagues tells me it was $35 a car. Meantime, wages have gone up, and the reduction was most creditable.

One almost forgets that our economic system ever got along without controls. We had controls during the war, and many of us appreciate what they did to regulate the economy of this country, and to do a good job of concentrating our efforts on war production. But the impression is growing up, having been under the tutelage of controls for the last seven or eight years, that we cannot get along without them. We are almost afraid to venture forth into the water for fear of drowning. We have to hang on to a life-preserver, a rope, or something of that kind. Business is quite capable of taking care of itself. Supply and demand, production and consumption, are quite capable of adjusting themselves so that there will be a fair and equitable and, more particularly, a greater supply of goods than there would be under a controlled system.

I suggest to the minister that if he will give business its head he will find that there will be more production, and that competition will keep prices down. In fact, it is greatly to be questioned whether or not the government is of the opinion that we are heading for inflation or deflation. The consensus of the largest number of economists in North America at the present time is that we are facing at least a moderate price recession. If that is so, then it means that demand is being overtaken by supply. When that happens there will always be some manufacturers who will want to keep their factories going 100 per cent, with the result that they will lower prices in order to get the business.

I should like very much to hear from the minister whether he or his advisers expect that we are heading for deflation, with perhaps some unemployment connected with it, or whether we are heading for inflation. Certainly if we are heading for deflation it is hardly the time to inaugurate or to put into statutory form the continuation of these controls.

Mr. ILSLEY: We are not inaugurating it. In putting them into statutory form, we are simply continuing them for as long as is necessary, thereby permitting our getting out of them in an orderly fashion, as I have explained. I do not know how much I should go into general considerations.

Mr. JACKMAN: I should be very much interested in having some light on the price index.

Mr. ILSLEY: Does the hon. member mean a comparison with that of the United States?

Mr. JACKMAN: Yes.

Mr. ILSLEY: If that is what the hon. member wishes to have, I shall try to get some information along the lines requested by him. However I do not know whether it will be possible to get anything definite. I should think the revaluation of the dollar would have some influence, although not a very great one. It would not begin to account for the difference between the price rise in the United States and that in Canada. I shall also look into the subsidies situation.

Mr. JACKMAN: And exports.

Mr. ILSLEY: Well, I do not think my hon. friend's point about lumber is a good one, at all. I think he was making his case the

other way around; that is, he has established that the existence of controls keeps prices down.

Mr. JACKMAN: I may be handing the government a compliment on that export matter. But surely the minister will agree that if lumber, which is taken only as an example, is being sold on the Canadian market at less than the cost of production, the government would have to allow the price to be increased in order to make ends meet in the industry, if it were not for the fact that in a sense the industry is bonused by high prices in the export market. I am suggesting that, in connection with the comparison of prices of commodities included in the Canadian cost of living index, there is some unfairness when a comparison is made with the United States index.

Mr. ILSLEY: I cannot see that point. I do not know whether domestic prices are less than the cost of production or not. I do not agree that they are; I do not know.

Mr. JACKMAN: Perhaps the minister will find out.

Mr. ILSLEY: I do not know whether I can or not; I do not believe I can.

Mr. JACKMAN: I could soon find out from the department.

Mr. FLEMING: Last night in the midst of some discussion, to part of which exception was taken by the Minister of Justice, questions were put by the hon. member for Vancouver South to the Minister of Reconstruction and Supply, which the minister said were perfectly proper questions. They had to do with Nos. 56 and 57 in this list of fifty-seven orders in council. The nature of the question was this: Why are they included in this measure?

Taking that as my starting point, from the point of view of relevancy and order, I should like to say a word concerning an order also included among the fifty-seven which, in my submission, clearly ought also to be the subject of a separate bill, and particularly in view of certain observations made in the speech from the throne. I refer to the subject of old age pensions.

We have among the orders in council a number which deal with the subject of old age pensions, the gist of which is to permit the addition of some $5 a month by way of subsidy to the present statutory rate fixed by the Old Age Pensions Act. In the speech from the throne, to be found on page 3 of *Hansard* there appears this sentence:

> Amendments to the Old Age Pensions Act will be introduced at the present session.

We have had it put quite clearly before the committee that some time at this session the government is to introduce a bill to amend the Old Age Pensions Act. Is there any reason therefore why this omnibus bill to be introduced should contain, presumably for a temporary period, the orders in council which relate to this very matter? It was indicated in earlier discussion in the house this session that the purpose of the amendments to the Old Age Pensions Act would be to increase the basic rate of the pensions above the present $20 monthly statutory rate plus the $5 provided for under the orders in council.

Would it not be sensible to drop these orders from among the group of fifty-seven in the omnibus bill and make them part and parcel of whatever bill the government may decide to introduce to amend the act itself? Why should we be taking two bites of the cherry? The effect of these orders has now been extended to May 15. We are no longer faced with the situation which the government might have stated earlier as a reason for continuing these measures. Certainly, with the extension of the effect of these orders to May 15 there is ample time for the government to bring in its bill to amend the act and increase the rates on a statutory basis, without asking the house to take time meanwhile to go over a number of these orders and to give them the effect of statutes for the meantime.

Surely the sensible and businesslike way to go about this is to say that in view of the extension of these orders to May 15 the government should bring in its measure to amend the act and increase the statutory rate. We heard something this afternoon from the Prime Minister about duplicating debate. Is there any better way of duplicating debate than the procedure the government is following in this respect? We all must seek to approach this matter in the most orderly way, in a way that will save time and bring us most directly to the meat of the problem. I submit that the government will be making a contribution in that direction if they will bring in their bill to amend the Old Age Pensions Act and increase the statutory rate. In that way they will dispense with any necessity for including the orders in council relating to old age pensions in the omnibus bill. Surely that bill will be loaded down enough without including measures that are to be the subject of duplicating legislation at a later stage in the session. Not only are we going to duplicate discussion, but apparently we are going to duplicate the legislation itself.

Mr. HACKETT: Mr. Chairman—

Mr. FLEMING: I would ask for some comment on these remarks of mine. I was not making them just for the sake of talking; I made them in the hope that they would be a contribution toward an orderly approach to the problem.

Mr. ILSLEY: I do not know of any reason why the old age pensions legislation should not be brought in at as early a day as possible. It was quite obvious at the beginning of February that we would not be able to have the old age pensions legislation put through by March 31 and we attempted to avoid any hiatus. There are many considerations which I cannot outline to the committee. We had to keep in mind our dealings with the provinces. We had to have a little time on that and we knew we could not get it through by March 31. It might be possible to do it before May 15, but I do not know.

The same considerations apply to other legislation, such as the labour relations legislation. We have to get out of that field just as soon as we reasonably can and we have to have legislation about that this session. The existing orders in council are included under this measure although we are going to bring in legislation later in the session. That may mean duplication because it means making arrangements with all the provinces and giving them a chance to pass legislation. We knew we could not make the transfer to the provinces before March 31, but we might be able to do so before May 15. I shall have to speak to the Minister of Labour about that.

I would point out that we cannot do everything between now and May 15. We have not done anything yet except to deal with emergency legislation and the speech from the throne. We have quite a large sessional programme to go on with and we want to get a lot of this legislation through. If we start giving priority to everything, we shall not be able to do that.

Mr. FLEMING: Will the minister clear up one point? I take it that it is not the intention of the government to continue the orders in council in relation to old age pensions beyond the date when the amendments come into effect?

Mr. ILSLEY: No.

Mr. FLEMING: In other words, the government is simply proposing to continue these four orders in council which relate to old age pensions until it gets the bill amending the act through the house?

Mr. ILSLEY: Yes.

[Mr. Hackett.]

Mr. FLEMING: The bill to be introduced will cover all the matters that are within the scope of the orders in council?

Mr. ILSLEY: Yes.

Mr. GREEN: Will the minister tell us what orders in council are to be replaced by statutes during the present session? In his preliminary statement he said that some of these fifty-seven orders in council were administrative, some were regulative, and some were legislative. It would be of considerable help if we knew which of the orders in council he considers to be legislative.

Mr. ILSLEY: There are three classes of orders in council. There are the orders in council relating to old age pensions; there are the orders in council relating to labour relations, and there are the orders in council relating to veterans preference. Those three classes of orders in council are to be replaced by legislation this session.

Mr. GREEN: There are five orders under the heading, Civil Service Commission; nine under the Department of Labour, and four dealing with old age pensions under the Department of National Health and Welfare. What orders in council are to be replaced by statutes? Will all those that I have mentioned be replaced in that way?

Mr. ILSLEY: What the hon. gentleman is really asking is which ones we are undertaking to revoke this session?

Mr. GREEN: I am asking which ones are to be replaced by legislation later in the session.

Mr. ILSLEY: That is ambiguous. I have had some experience in having my language examined rather closely and I am going to be somewhat careful. In a sense I cannot say that they will be replaced, if by replacing it means enacting the same language into legislation. The legislation may be a little different. What the hon. gentleman is asking is whether these are to be revoked when the legislation dealing with the subject matter is passed.

Mr. GREEN: That would meet it.

Mr. ILSLEY: I could go over them and mark them.

Mr. GREEN: I think we are entitled to know which ones are to be revoked after they have been replaced by legislation at this session.

Mr. ILSLEY: I do not think there will be any difficulty about that. Of course, once we give an undertaking to revoke we have to revoke. Certainly it is clear in my mind

exactly what we are intending to do. The principle of what we are intending to do is to enact old age pensions legislation, in which event these four orders in council relating to old age pensions would be revoked. That is No. 1. It is also our intention to introduce legislation providing for a preference to veterans in the public service of Canada, in which event the orders in council providing for that preference will be revoked.

Mr. GREEN: That applies to all five orders in council?

Mr. ILSLEY: I do not know whether it does or not. Do the whole five relate to the veterans preference?

Mr. GREEN: They say so.

Mr. ILSLEY: Cannot the hon. gentleman apply the principle himself instead of trying to pin me down here to numbers of orders in council. I am giving the principle of the thing, which is quite clear. Then, third, are the orders in council relating to P.C. 1003?

Mr. KNOWLES: Be extra careful on that.

Mr. ILSLEY: Perhaps I should be. At any rate the principle of the thing is this. We have this labour code so-called which provides for collective bargaining between employers and employees. It was passed as a war measure. We are now moving into the period when the jurisdiction passes to the province because the war is over. The provinces, we assume, will pass legislation covering part of this field. The part occupied by ourselves will be greatly contracted, and our legislation will cover that contracted field. Then those parts of the order in council which are replaced by our legislation and by provincial legislation will be revoked. That is the principle of what we are going to do, and I think that ought to be sufficient.

The ACTING CHAIRMAN (Mr. Golding): What we are getting into now is the bill itself.

Mr. GREEN: Oh, no.

Mr. HACKETT: Where is the bill?

The ACTING CHAIRMAN (Mr. Golding): The hon. member had the bill in his hand.

Mr. HACKETT: Where? Have you it?

The ACTING CHAIRMAN (Mr. Golding): Certainly.

Mr. GREEN: We do not have it.

The ACTING CHAIRMAN (Mr. Golding): I appeal to hon. members to deal with the resolution, which is a very simple one. These other matters can be dealt with when the bill is in committee, when all these details can be gone into. I think my hon. friend will find that if he will cooperate with the Chair we shall make better progress than we are now making.

Mr. GREEN: On that point, Mr. Chairman, this was all threshed out before. The minister himself said that certain of these orders in council were legislative, and I am simply asking him to explain which ones come in that category.

The ACTING CHAIRMAN (Mr. Golding): That can be gone into in committee.

Mr. GREEN: No; we are entitled to have that information now. I submit that if the minister is not prepared to complete his statement today he should do so tomorrow and tell us which other orders in council are to be revoked because legislation is to be brought in replacing them.

Mr. ILSLEY: I can do that. I can state what our intention is. I do not know just how rigid the undertaking should be.

The ACTING CHAIRMAN (Mr. Golding): The hon. member for Stanstead.

Mr. HACKETT: I thank you, Mr. Chairman. Some time ago I started to ask a question of the right hon. minister and it provoked so much discussion that I have not been able to complete it. The right hon. gentleman said that the financing of the war had been achieved roughly one-half by taxation and two-sixths—I said two-sixths by borrowing and one-sixth by inflation. The right hon. gentleman did not quite agree with my description of the method resorted to for the last one-sixth. It does not make much difference what we call it. It was a way of puffing ourselves up by resorting to the printing press or to borrowings from the banks. Since I embarked upon this inquiry earlier in the afternoon I have been fortunate enough to get a couple of documents which will possibly enable me—

The ACTING CHAIRMAN (Mr. Golding): I wonder how the hon. member relates this financial aspect of our war effort to the resolution now before us.

Mr. HACKETT: I think, Mr. Chairman, that you had the good fortune to be absent when I started on this question. I said that the resolution took it for granted that there existed a national emergency. I am not convinced that such is the case, and inasmuch as the existence of a national emergency is the basis of the resolution I was inquiring into

certain features of the emergency referred to by the right hon. gentleman in his address which I thought should be supplemented by some additional information in order that we might deal with the resolution, as they say in that part of the country from which I come, *en pleine connaissance de cause,* which means with a little more information than you have at the present time. What I wanted to say was that the right hon. gentleman in his budget of 1943 said:

> The plain fact is that this year we have had to depend too much on bank borrowing.

Then in the annual report for the year 1945 to the Minister of Finance and statement of accounts by the governor of the Bank of Canada I find this statement:

> The remaining one-sixth—

That was the one-sixth of the cost of the war which had not been paid for out of taxation or borrowing. It was accounted for in this way:

> The remaining one-sixth of the government's total requirements has been financed to a considerable extent by the chartered banks, which has involved a substantial increase in their holdings of government securities, and consequently in the volume of savings and demand deposits of the public with the banks.
>
> This increase in deposit liabilities has in turn given rise to a need on the part of the chartered banks for larger cash reserves. The policy of the Bank of Canada—implemented through its purchase of government securities in the market—has been to keep pace with these necessities, without trying to bring about expansion of credit for purposes unrelated to war needs.

To a neophyte like myself that means a type of inflation. The question I wish to ask the minister—and upon the answer I think I can base the remainder of my argument—is, has not that device, whether it be called inflation or whether it be called by a more euphonious name, resulted in a reduction in the purchasing power value of the Canadian dollar?

Mr. ILSLEY: No.

Mr. MACKENZIE: Ask the hon. member to ask the question again.

Mr. HACKETT: What does the hon. Minister for Veterans Affairs say?

Mr. MACKENZIE: I suggested that the minister ask the hon. member to repeat the question.

Mr. ROWE: Does the minister not understand it?

Mr. ILSLEY: The answer to that question is not perfectly obvious, but my opinion is that the large increase in bank deposits during the war had an influence of driving the price level up; that what might be called inflation of credit and currency—

Mr. HACKETT: Is that different from currency circulation?

Mr. ILSLEY: I am talking about volume now; the volume of currency and credit in this country increased, and what might be called inflation of the volume of currency and credit in the country. My opinion is that that affected the inflation of prices; it caused some inflation of prices, but the two are different because perhaps one would not necessarily follow the other.

The reason I do not want to say "yes" to the question, did we resort to inflation as a device for financing the war is that it might be seriously misunderstood, it is so ambiguous. One hears about countries which pursue a policy of price inflation or might pursue a policy of encouraging price inflation so that their tax receipts will be much greater, so that they will get more money in that way, which might be a device of financing by inflation. I do not want to say "yes" to that at all.

Mr. ABBOTT: Would the committee allow me to move that we report progress in order that I may have a couple of minutes before six o'clock to table supplementary estimates?

The ACTING CHAIRMAN (Mr. Golding): I might say to hon. members that I had hoped this resolution might be passed before six o'clock.

Mr. GREEN: What a hope!

Progress reported.

SUPPLEMENTARY ESTIMATES—1947-48

A message from His Excellency the Governor General transmitting further supplementary estimates for the financial year ending March 31, 1947, was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1948,

was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

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

Thursday, March 27, 1947

The house met at three o'clock.

REPORTS AND PAPERS

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I desire to table two documents, the first a Forecast of 1947 Investment by Canadian Business, and the second a Forecast of Production of Basic and Building Materials in Canada. The first is a forecast based on inquiries of the plans of 12,000 businesses in Canada, and I believe is a very important document. The second is an attempt to forecast the demand and production of building materials during the current year.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 74, for the relief of Isabel Lindsay Mackay Dietz.—Mr. Maybank.

Bill No. 75, for the relief of Edith Dean Michaels.—Mr. Maybank.

Bill No. 76, for the relief of Maurice Michael.—Mr. Maybank.

Bill No. 77, for the relief of Otto Hemlein.—Mr. Maybank.

Bill No. 78, for the relief of Mary Josephine Jessop Croker.—Mr. Maybank.

Bill No. 79, for the relief of Rose Lazar Nadigel.—Mr. Maybank.

Bill No. 80, for the relief of Frances Clare Lynch Layton.—Mr. Maybank.

Bill No. 81, for the relief of Robert Alfred Nall.—Mr. Maybank.

Bill No. 82, for the relief of Juliette Adrienne Labrosse Renaud.—Mr. Maybank.

Bill No. 83, for the relief of Jean Isabel Dalton Ryan.—Mr. Maybank.

Bill No. 84, for the relief of Rose Elkin Steinman.—Mr. Maybank.

Bill No. 85, for the relief of Clinton Ecott Vipond.—Mr. Maybank.

Bill No. 86, for the relief of Alison McKinnon Palmer.—Mr. Maybank.

Bill No. 87, for the relief of Ralph Wighton.—Mr. Maybank.

Bill No. 88, for the relief of Claude Garcin Coffin.—Mr. Maybank.

Bill No. 89, for the relief of Bea Helen Taffert Levin.—Mr. Maybank.

Bill No. 90, for the relief of Elsie King Moorhouse.—Mr. Maybank.

Bill No. 91, for the relief of William John Edgar McVetty.—Mr. Maybank.

Bill No. 92, for the relief of Alfred John Holton.—Mr. Maybank.

Bill No. 93, for the relief of William Howell MacDonald Brown.—Mr. Maybank.

Bill No. 94, for the relief of Henrietta Elizabeth Forde Norrie.—Mr. Maybank.

Bill No. 95, for the relief of Gaston Cartier.—Mr. Maybank.

Bill No. 96, for the relief of Margaret Lillian McCorkell Baldwin.—Mr. Maybank.

Bill No. 97, for the relief of Hilda Wylie Bannister.—Mr. Maybank.

Bill No. 98, for the relief of Sarah Goldberg Cohen.—Mr. Maybank.

Bill No. 99, for the relief of Esther Mary Harding Breeze.—Mr. Maybank.

Bill No. 100, for the relief of Jessie MacFarlane Boyle Smith.—Mr. Maybank.

Bill No. 101, for the relief of Paul Jaeggin.—Mr. Maybank.

Bill No. 102, for the relief of Murial Agnes Martin Adams.—Mr. Maybank.

Bill No. 103, for the relief of Edwin Theophilus Phillips.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CUSTODIAN OF ENEMY PROPERTY

Mr. STEWART (Winnipeg North):

1. Have any amounts of money been received by the custodian of enemy property and placed to the credit of German, Austrian, Czechoslovakian or Japanese corporations since 1st September, 1939? If so, what are the amounts and to what corporations are they credited?

2. From what companies in Canada, or from what sources have such sums been received by the custodian of enemy property?

3. Has any interest been received on funds held by the custodian of enemy property?

4. If so, from whom was interest received?

5. How much has been received in interest?

6. What has been the disposition of funds received as interest?

7. Have any profits been received by the custodian of enemy property since 1st September, 1939, from businesses in Canada owned or controlled by enemy nationals?

8. If so, how much has been received and from what sources did this money come?

Mr. GIBSON (Hamilton West):

1. Yes. The supplying of names would involve an examination of nearly 54,000 accounts. There is no separate category of corporations as distinct from individuals.

2. See answer to No. 1.

3. Moneys transferred to the custodian were invested from time to time in dominion of Canada victory bonds, with the approval of treasury board, and interest was, of course, realized on these investments.

4. On general fund, from government of Canada.

5. As of December 31, 1946; $3,379,692.66.

6. Held to cover administration costs and subsequent disposition of funds after terms of peace treaties have been settled.

7. Yes.

8. See answer to No. 1.

NATIONAL DEFENCE DEPARTMENT—LADISLAUS BIBEROVICH

Mr. WINKLER:

1. Was the employment of Ladislaus Biberovich as principal translator for the Department of National Dfence terminatd in 1946?

2. If so, were any reasons given for this termination by the Department of National Defence?

3. What were they; who authorized them, and who signed the document of dismissal?

Mr. LAPOINTE:

1. Yes.

2. Yes.

3. General directive for a reduction of staff in connection with the re-organization of the department of national defence on a peacetime basis. Tht actual notice of release was signed by the director of civil personnel in the regular course of his duties.

CARBERRY, MAN., AIRPORT

Mr. KNOWLES:

1. Has any decision been reached as to the use of the airport at Carberry, Manitoba, either as an R.C.A.F. station or for civil purposes? If so, what is such decision?

2. Have representations been received since the end of the war, pointing out the advantages of this airport? If so, from whom, and are these advantages being given full consideration by the government?

Mr. LAPOINTE:

1. So far as the department of national defence is concerned, the R.C.A.F. station at Carberry, Manitoba, is now in process of being declared surplus to the crown assets allocation committee with the exception of: (a) twelve buildings being retained temporarily for the storage of R.C.A.F. reserve equipment; (b) five buildings being dismantled for use elsewhere; (c) a recreation hall being retained for air cadet use. The buildings specified in (a) above will ultimately be declared surplus to crown assets allocation committee.

[Mr. C. W. G. Gibson.]

2. Representation was received from Mr. B. W. Caldwell, mayor of Carberry, and the merits of continued use of this airport by the department of national defence were fully considered before the above decision was made.

OLD AGE PENSIONS

Mr. NIXON:

1. How many persons are employed in the dominion administration of old age pensions?

2. (a) What provinces pay supplementary amounts to pensioners in addition to their share of pensions paid under the Old Age Pensions Act; (b) what are the supplementary amounts paid?

Mr. MARTIN:

1. The old age pensions division of the department of national health and welfare employs thirteen persons and the division of blindness control employs three persons. Other departments of the dominion government including mines and resources, trade and commerce and secretary of state are required to provide information for use of the provincial pension authorities.

2. (a) and (b). British Columbia, $10 a month to each pensioner; Alberta, $5 a month to each pensioner; Saskatchewan, $3 a month to each pensioner; Manitoba, any amount up to $1.25 a month to a pensioner whose pension does not exceed $21.25 a month; Ontario, 15 per cent of the pension payable under the act based on a maximum pension of $20 a month; Nova Scotia, $5 a month payable at the discretion of the pension authority to any pensioner whose income including pension does not exceed $365 a year.

In addition to paying supplemental allowances the provinces of Ontario, Saskatchewan and British Columbia have plans under which certain medical or medical and hospital services are provided free to pensioners.

OLD AGE PENSIONS

Mr. McCUBBIN:

What steps are being taken by the government to bring into operation any changes in the Old Age Pension regulations recommended by the interprovincial board in November, 1946, pending amendments to the Old Age Pensions Act during the present session?

Mr. MARTIN: Subsection 2 of section 19 of the Old Age Pensions Act provides that no regulation by reference to which any agreement with a province has been made shall be altered except with the consent of such province or in accordance with the provisions of the regulations to which it has agreed. The changes recommended by the interprovincial old age pensions board in November, 1946 are now being considered by the governments

concerned. They must be approved by the lieutenant governors in council of the provinces and by the governor in council before they can be brought into force.

FAMILY ALLOWANCES

Mr. BREITHAUPT:

1. What provision has been made in the administration of family allowances to see that the money is spent for the purpose intended?

2. How many cases were investigated during the month of January, 1947?

3. How many family allowances accounts are in pay to administrators and trustees, as a result of information obtained through welfare investigations?

4. What steps have been taken to implement the requirement that a child must be in regular school attendance or receive equivalent training in order to receive family allowances?

Mr. MARTIN:

1. Welfare supervisors are employed in each family allowances regional office. As part of their duties they are responsible for investigating possible cases of misuse of allowances. In some instances this is done by the regional office staff, in others through the provincial welfare department or through private agencies. Working agreements with the provincial welfare departments have been made with Nova Scotia, British Columbia, Manitoba and Ontario. In New Brunswick the child caring agencies are dealt with directly. If the investigation reveals misuse of allowances arrangements are made to appoint a third party administrator who is responsible for seeing that the money is spent for the benefit of the child.

2. (i) through provincial welfare departments, 175; (ii) through other agencies, 41; (iii) by regional office staff, 100; total, 316.

3. As of January 31, 1947, there were 172 accounts in pay to administrators and trustees.

4. In each province arrangements have been made with the provincial school authorities to notify the family allowances regional office when the school attendance of a child becomes unsatisfactory. Upon receipt of this information appropriate action is taken to suspend allowances until attendance becomes satisfactory.

QUESTION PASSED AS ORDER FOR RETURN

BIENFAIT, SASK., BRIQUETTING PLANT

Mr. BENTLEY:

1. Did the federal government invest any money in a briquetting plant at Bienfait, Saskatchewan? If so, when and how much was so invested?

2. What was the total cost of the said plant?

3. Was any of the money so invested by the federal government repaid?

4. Was any interest paid to the federal government on account of this investment?

5. Has the property been sold?

6. If so, (a) to whom; (b) when; (c) how much did the federal government receive from the proceeds of its sale?

EXTERNAL AFFAIRS

DIPLOMATIC APPOINTMENTS—AUSTRALIA, MEXICO, NORWAY AND DENMARK

On the orders of the day:

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, hon. members will recall that on March 25 I indicated that announcements of diplomatic appointments to Mexico and Australia would be made today, and I have pleasure in informing the house that Mr. Kenneth Alfred Greene, O.B.E. has been appointed as High Commissioner for Canada in Australia. Mr. Greene has been prominent in the business and community life of the capital for some years. During the first world war he served in the Canadian armed forces, and during the second he took a leading part in the organization of a number of bodies engaged in war work.

In addition, Mr. S. D. Pierce is to succeed Doctor Hugh L. Keenleyside as Canadian Ambassador in Mexico. Hon. members know that Mr. Pierce has had a distinguished career in academic work, in private business and as a war-time public servant. Until his appointment, Mr. Pierce was chief of the economic division of the Department of External Affairs.

In addition, Doctor Henry Laureys, formerly Canadian Ambassador in Peru, is to be Canadian minister in Norway and Denmark, with the personal rank of ambassador. Doctor Laureys in 1940 became the first High Commissioner for Canada in the Union of South Africa, where he served until 1944, when he was appointed Canada's first ambassador in Peru. Before entering the public service, Doctor Laureys had a distinguished academic career in the field of international economic and commercial studies.

Mr. GRAYDON: May I ask the minister how many vacancies that now leaves in the senior diplomatic service abroad?

Mr. ST. LAURENT: I believe the only one that could be called a vacancy is that in respect of Peru. I had hoped that that appointment might be announced today, but the agrément

of the Peruvian government has not yet been received. It is expected at any time, and as soon as it is received the appointment will be announced.

Mr. COLDWELL: I understood the minister to say that one gentleman had been appointed minister to Norway and Denmark, with the personal rank of ambassador.

Mr. ST. LAURENT: Yes.

Mr. COLDWELL: What is the difference?

Mr. ST. LAURENT: The gentleman had been ambassador to Peru. He retains his personal rank of ambassador; but as our missions in Norway and Denmark are still legations, he can be accredited only as a minister.

Mr. GRAYDON: Does that mean any difference in salary?

Mr. ST. LAURENT: No.

Mr. SPEAKER: May I ask hon. members in the chamber to be kind enough to moderate their voices. At the beginning of every sitting there is so much conversation going on that it is difficult to follow what is being said by hon. members who are speaking. Hon. members will realize that we do not need so much a loud-speaker system in the chamber as we do silence.

Mr. CRUICKSHANK: That is in line with the question I was going to ask, Mr. Speaker, on behalf of the apex of the Liberal party. We are afraid our names may have been mentioned to some of these positions, because, without amplifiers we could not hear a word that was being said.

Mr. GRAYDON: You can take that for granted.

DOMINION ELECTIONS

CARTIER BY-ELECTION

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I should like to ask a question of the Minister of Justice, of which I gave notice rather late. Will the minister inform the house what measures he proposes to take to ensure a free election in Montreal-Cartier?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I have no reason to think that there will be any disturbances, or that if there were any they would not be properly dealt with by the usual law enforcement agencies.

[Mr. St. Laurent.]

SUGAR BEETS

LABOUR TO ASSIST IN PRODUCTION OF 1947 CROP

On the orders of the day:

Mr. J. A. ROSS (Souris): Mr. Speaker, I should like to ask a question of the Minister of Labour with respect to a labour shortage in the sugar beet industry during 1947. I understand there have been discussions with the dominion authorities, the beet growers association and the Manitoba Sugar Company. Can the minister say what the prospects are for sufficient labour to assist in sugar beet production in Manitoba during 1947?

Hon. HUMPHREY MITCHELL (Minister of Labour): Conversations have been going on between the sugar beet growers and the departments of labour and immigration with respect to the labour situation in the sugar beet fields of that province during the coming season. Consideration is being given to using Polish veterans or other forms of labour. In addition a senior officer of the department of labour is en route to Winnipeg to open up conversations with the department of agriculture in that province.

INCOME TAX

APPRAISAL OF INCOMES OF FARMERS NEGLECTING TO FILE RETURNS

On the orders of the day:

Mr. H. R. ARGUE (Wood Mountain): I should like to ask a question of the Minister of National Revenue. Is it true that farmers who have neglected to file income tax returns between January 1941 and December 1946 are to have their incomes for those years appraised in a net-worth statement which must be filed before March 31? If so, on what basis will the department calculate the farmer's total income tax for those years?

Mr. SPEAKER: Order. I do not see any urgency in the hon. member's question.

Mr. GRAYDON: The farmers do.

Mr. ARGUE: Perhaps Your Honour did not note the full significance of the question. Returns must be filed before March 31. It will soon be March 31 and the farmers are anxious to know on what basis income tax will be dealt with.

Hon. J. J. McCANN (Minister of National Revenue): There are no regulations to that effect, nor have instructions been issued to take any such action. The matter as to the basis on which the department will calculate a farmer's total income tax for those years is one of rather complex accounting. I suggest

that if the hon. member wants a detailed answer he should put his question on the order paper, and it will be answered.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Wednesday, March 26, consideration in committee of the following resolution—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war and to provide therein that the governor in council may appoint and fix the compensation of the officers, clerks and employees necessary for the administration of any order or regulation continued in force by the act and further to provide that certain officers, clerks and employees may continue to perform the duties for which they were previously appointed.

Mr. HACKETT: Will the minister provide the committee with a statement showing the total of all bonuses, subsidies, remissions of duty, remissions of other taxes and other benefits, direct and indirect, which the government has paid, in order that we may have a fuller appreciation of the cost of controls? I would ask that over and above the total of these bonuses, subsidies and remissions the statement show what has been paid out each year since controls went into effect. I am sure the government has this information and can make it available. I have spent more time than I care to admit in trying to work it out for myself, and I arrived at a figure which exceeded the billion dollar mark. I then asked myself whether I was wrong in my figuring, but I have been unable to find in any report a complete statement of these payments. It would be of great assistance to the committee to have a concise statement showing exactly what these contributions by the government have been.

Right Hon. J. L. ILSLEY (Minister of Justice): Some of the items would be debatable. For example, under the War Exchange Conservation Act, which was passed in December, 1940, the duties on goods imported from Great Britain in some cases were removed, in other cases they were reduced by fifty per cent and in other cases were reduced by twenty-five per cent. Undoubtedly the reduction of those duties had some effect upon the prices of the goods imported, yet those duties were not reduced or removed for the purpose of controlling prices. They were removed or reduced for another and entirely different purpose, namely, the encouragement of imports from Great Britain so that not so many goods would be imported from the United States to the end that our stocks of hard currency would be conserved. Such items would present a problem to any one attempting to compile a complete list of tariff reductions, taxation remissions and so forth.

I do not know what should be done with subsidies which were paid for the purpose of stimulating production, or encouraging the production of high quality goods, such as certain bacon subsidies which were graded in accordance with the quality of the product, and the cheese subsidies which were graded in a similar manner. It is impossible to say whether certain subsidies were paid for the purpose of keeping prices down, for the purpose of keeping production up, or both. The main class of subsidy is that which was paid by the Commodity Prices Stabilization Corporation Limited, and a statement of these subsidies is to be found on page 74 of the report of the board. This statement reads:

Appendix G

Commodity Prices Stabilization Corporation Limited summary of operations from December 1, 1941 to December 31, 1946.

The operations of the Commodity Prices Stabilization Corporation Limited, from inception to December 31, 1946, have resulted in a cost to the government of $410,864,133.02, made up as follows:

1. Subsidies paid (see detail below)		$348,538,612 60
A. import	$183,692,970 54	
B. domestic	164,845,642 06	
2. Losses on commodity trading (see detail below) ...		57,703,880 69
3. Administrative expenses and miscellaneous items		4,621,639 73
		$410,864,133 02

In addition to those subsidies there were, as I say, production subsidies and subsidies which were paid to encourage the production of high quality produce. Then there were customs duty removals which were motivated by the desire to keep prices down. I think there were some remissions, athough I do not recall any.

Mr. HACKETT: There was a remission on sugar, for instance.

Mr. ILSLEY: I do not remember just what form that took. Whether it was done by legislation or by order in council under the Consolidated Revenue and Audit Act I do not remember. I could give all the information which is certain and make reference to some which is not so certain, and arrive at a result which probably would be more approxi-

mate than accurate, but it would take a little time. Perhaps something could be done about it between now and Monday.

Mr. HACKETT: Will the minister say whether the explanation he has given in detail in which the items add up to $410,000,000 include the production subsidies?

Mr. ILSLEY: No, they do not.

Mr. HACKETT: I am going to ask a specific question which may convey what I am trying to get at. Can the minister give in round figures what the production subsidies amount to? I know that they obtain in a number of departments. He has made reference to those which refer in a particular way to items under the Department of Agriculture.

Mr. ILSLEY: The agricultural production subsidies are the only ones I can remember. Replying to the specific request that I give the information in round figures, the figure I have in mind is in the neighbourhood of $100 million over two or three years.

Mr. HACKETT: Per annum?

Mr. ILSLEY: Per annum, but the amount varied every year and it is much below that for the forthcoming year.

Mr. BLACK (Cumberland): I would like to get information from the minister with respect to the subsidies provided for the production, distribution and control of prices of coal. Where does the authority obtain to expend the coal subsidies, which amounted to about $8,000,000 a year—$7,720,015—and to $28,000,000 for the entire period? I have looked through the omnibus bill for an order in council extending the authority for those expenditures. I think it is agreed that these subsidies must be continued for the time being on the production of coal; I do not think anyone disputes that. Disappointment prevails in many quarters because these subsidies have not been increased to enable the wages to be paid which have been asked for by the workmen in eastern Canada so that coal production would continue. Personally I wish the payment of subsidies could be avoided, but it is recognized that they cannot be avoided. What I want to know is under what authority they have been paid, and under what authority they will continue to be paid.

In the report of the Carroll commission on coal the commissioners unanimously agreed that the payment of these subsidies must be continued. A clear statement should be made with respect to that, so that the workmen and the operators in these coal fields may have the assurance that provision is being made for the continuance of the subsidies. I would ask the minister to tell the committee under what authority the subsidies have been paid and under what authority they will continue to be paid.

Mr. ILSLEY: I shall have to get that information from the Minister of Reconstruction and Supply, under whom these subsidies have been administered.

Mr. BLACK (Cumberland): They amount to a very large sum. Either they are being paid under the omnibus bill or they are not. Can the minister answer this question: Are these subsidies provided for under the legislation now before the committee?

Mr. ILSLEY: I do not think so, but I had better get the information from the Minister of Reconstruction and Supply. My impression is that certain subventions are paid.

Mr. BLACK (Cumberland): They are statutory and appear in the estimates.

Mr. ILSLEY: Yes, in the estimates. The production subsidies are paid by the Commodity Prices Stabilization Corporation and appear under that vote.

Mr. BLACK (Cumberland): That was under the War Measures Act originally.

Mr. ILSLEY: It is a crown corporation which works with and under the wartime prices and trade board, and my impression is that the production subsidies so-called are paid by that corporation. In the estimates there is a vote to the corporation of $35,000,000. Whether it includes the production subsidies on coal I cannot say. I would have to get information on that from the minister.

Mr. GILLIS: Mr. Chairman, I should like to arrive at some understanding as to this debate. Most of us have been sitting here silent during the whole time this resolution has been under discussion, trying to make up our minds whether to speak on the resolution or to wait until the bill is before us for second reading. This afternoon a long discussion is being carried on with respect to most of the items covered by the resolution. If it is your intention, Mr. Chairman, to permit debate at the resolution stage on the subject matter of these orders in council I think we ought to know it so that we may have the opportunity of speaking. Or is it the intention of the house and the ruling of the Chair that this legislation should first be put into bill form, and that a regular debate may then take place upon it? I should like to have an understanding on that. I have a good deal to say on the orders in council, but I had intended to reserve my remarks until the second reading of the bill.

Mr. HACKETT: Mr. Chairman, I should like to say a word on that. I am reserving what I have to say until the second reading. But this is a matter of some importance and I hope that the gentlemen to the left will not be too impatient with us. We have sat here many a long day when they were talking about things that interested them—and I am not at all questioning their right to information. But this is a very important enactment, and the attitude taken with respect to it will depend to a considerable extent upon the information that is made available. The minister is peculiarly fitted to give the information because of his long experience in another office. He has shown no disinclination to answer serious questions which come from people who are trying to get information so that the debate may be carried on on the facts and not on supposition. Until you, sir, detect some indication of frivolity or an attempt to waste time, I shall ask you to permit questions addressed to the minister to be answered. This is not a debate; we are seeking information on which our attitude on second reading will be based.

Mr. GILLIS: This is not a matter of great importance, because the information which hon. gentlemen are seeking has been in their hands for many weeks.

Mr. HACKETT: Will the hon. gentleman kindly tell the committee, for the benefit of those who are as ill-informed as the minister himself, just what are the totals of the subsidies, the totals of the bonuses, the totals of the remissions, and answer the questions which I have asked the minister, in connection with which he has been good enough to say that the information has not been assembled and that he will do his utmost to get for us? If the hon. gentleman who is objecting can supply this information to the committee with the accuracy that characterizes the information he vouches for here, we shall be grateful, and will wait for what the minister will give us later.

Mr. GILLIS: I said the information had been in the hands of hon. gentlemen for several weeks. They have only to read the last report of the wartime prices and trade board to get it.

Mr. MERRITT: We have read it.

Mr. GILLIS: The hon. gentlemen will get in that report the information they are seeking.

Mr. MERRITT: No, not the information. What does the hon. member know about the information we desire?

Mr. GILLIS: The hon. gentlemen are just too lazy to do their own reading; they want someone else to do it for them. The hon. member for Cumberland just asked a question. I am just as much interested in these questions as my hon. friends to the right. I have had returns made to the house within the past few weeks on the coal subsidies, telling how much was paid, to whom it was paid, and why it was paid. That can all be found in *Hansard*. The only one that is outstanding is a separate agreement with the Dominion Coal Company. I have not that yet. All that other information is available. I happen to be Scotch and I hate to waste time. I hate to sit here and provide an opportunity for my hon. friends over there to obstruct the bill getting second reading and going into committee. That is all that is going on here. All the questions they are asking are nonsense.

Mr. HACKETT: On a question of privilege, I ask that the word "obstruction", so far as it applies to the person who had the floor when it was taken from him by the hon. gentleman who persists in standing while I am speaking to the point of order—

Mr. GILLIS: The hon. member has the floor and he is out of order.

The CHAIRMAN: Order. The hon. member for Stanstead is speaking on a question of privilege.

Mr. GILLIS: I have been waiting for you, sir, to give your decision.

The CHAIRMAN: With respect to the resolution which is before the committee, I would point out that it is my duty to endeavour to direct the committee on this resolution in accordance with the standing orders, precedents, customs of the house. It is clearly set forth that on a resolution there shall be nothing discussed but the terms of the resolution. The present resolution deals with controls. I think the only question for the committee is whether or not it is expedient to continue these controls. It would be irregular to take each order in council and go into it at this time. That can be done when the order in council appears in the bill. At the present time it is the desire of members of all parties that we get through with the resolution as soon as possible and proceed with the bill. There is a fine distinction as to what is and what is not in order when we are on a resolution. If we all endeavour to deal with the resolution with the idea of getting enough information to satisfy us that the resolution should be passed and that

it is advisable to continue certain controls, then I am sure we shall get through with this stage of the proceedings soon.

Mr. HACKETT: I rise to a question of privilege and ask that the hon. gentleman be asked to retract the statement of obstruction which was directed to the person who was asking the question.

Mr. MACKENZIE: No; it was directed to the whole crowd, if my friend will look it up.

The CHAIRMAN: I did not understand the hon. member to refer to any particular hon. member as trying to obstruct. I understood that he thought that the continuing questioning was an obstruction.

Mr. GILLIS: That is right.

Mr. GRAYDON: You are just trying to help the government again.

Mr. MACKENZIE: I rise to a point of order. I just heard the hon. member for Peel say that you were just trying to help the government.

Mr. GREEN: No.

Some hon. MEMBERS: He did not say that at all.

Mr. GRAYDON: I know that is what my hon. friend would like to have heard me say.

Mr. MACKENZIE: Again I rise to a point of order. I want that withdrawn at once.

Mr. GRAYDON: Who has the floor, I should like to know, Mr. Chairman?

Mr. MACKENZIE: I have, on a point of order.

Mr. GRAYDON: I do not think both of us should be standing at the same time.

The CHAIRMAN: I might say there was so much noise in the chamber I did not hear the remark of the hon. member for Peel.

Mr. GREEN: Neither did the minister.

Mr. MACKENZIE: In accordance with the hearing of hon. members to my right, who heard the hon. member say distinctly that that is what I would like to have heard him say, may I say that it is a definite imputation upon me as an hon. member of this house, and I resent it. If the hon. gentleman—

The CHAIRMAN: If the hon. member for Peel thinks that he made the remark—

Mr. GRAYDON: After all, my hon. friend need not be so touchy about it.

Mr. MACKENZIE: Again I resent that remark. I do not have to entertain any irreverent impertinence from the hon. member for Peel.

[The Chairman.]

Mr. GRAYDON: I cannot control what my hon. friend thinks.

Mr. MACKENZIE: You might try to control your manners in the house.

Mr. GRAYDON: I think we can leave it to the house as to who has the manners in this debate. I should like to say, Mr. Chairman, that what I said was this, and you and my hon. friends will have heard the thing clearly. I did not mention you at all, Mr. Chairman. What I said was that as usual this C.C.F. member was trying to help the government.

Mr. MACKENZIE: No, you did not.

Some hon. MEMBERS: He did.

Mr. MACKENZIE: On a further point of order, when I made my objection to that remark my hon. friend made this remark: "that is doubtless what you would like to have heard me say."

Mr. GRAYDON: There is nothing out of order in that.

Mr. MACKENZIE: I object to anyone using such irreverent language in this house and I want the remark withdrawn.

Mr. MACDONNELL (Muskoka-Ontario): I rise to a point of order. Speaking as a Highlander I think it is most extraordinary to object to being called touchy, because I understand that Highlanders are touchy.

Mr. MACKENZIE: My hon. friend can speak for himself. As I understand it, recent affairs in Toronto have been exceedingly touchy. Mr. Chairman, I want the remark made by the hon. member for Peel with regard to me personally withdrawn, that I would like to have heard him say what I said he said, and what he said was made in regard to the hon. member.

The CHAIRMAN: Order. I have not been able to hear, and I am sure hon. members have not been able to hear, all that has been said. I think we have now come to a time when we should revert to the discussion of the resolution.

Mr. MACKENZIE: I want that remark withdrawn because it is a definite reflection upon me as a member of this house. It was heard by my colleagues around me, and I object to that remark standing on *Hansard* as a reflection on myself.

The CHAIRMAN: Order. I am anxious that we should get on with the discussion.

Mr. MACKENZIE: So am I.

The CHAIRMAN: The hon. member for Vancouver Centre feels that the remark was offensive, and I think that under the circumstances the hon. member for Peel might withdraw it.

Mr. GRAYDON: Oh, Mr. Chairman—

Some hon. MEMBERS: Withdraw.

Mr. GRAYDON: —if you are really treating my hon. friend opposite seriously in this matter, then of course that is a different thing altogether. I made no statement that should be withdrawn; and I think most hon. members realize that I do not make statements in this house that I have to withdraw.

Mr. MACKENZIE: Every day.

Mr. GRAYDON: More than that, if I made a statement particularly referring to the hon. member for Cape Breton South, that he was helping the government again, surely there can be no objection raised to a statement of that kind. If at certain times I am referred to as helping the government, I have to take it; I do not think I can ask anybody to withdraw a statement like that, because there is nothing there to withdraw, and there is no rule in any way violated. I am amazed at the hon. member for Vancouver Centre, because if he reflects on the position he is taking, he himself will not ask for such a withdrawal; because after all I am afraid I cannot do it.

The CHAIRMAN: I think I should say to the committee that the hon. member for Peel has stated that he did not mean anything offensive.

Mr. MACKENZIE: There were two remarks, Mr. Chairman.

Some hon. MEMBERS: Sit down.

The CHAIRMAN: I think we must accept the statement made by the hon. member for Peel when he says that he did not intend anything offensive.

Mr. HACKETT: He says he did not say it.

The CHAIRMAN: He says he did not say anything offensive with regard to any hon. member. I think under all the circumstances we should proceed with consideration of the resolution.

Mr. MACKENZIE: Mr. Chairman, may I ask to have the record read?

Some hon. MEMBERS: No.

An hon. MEMBER: The other day you said it could not be done.

Mr. CRUICKSHANK: Mr. Chairman, may I get into this? I am from British Columbia and I am speaking to the point of order. I wish to make a suggestion to the hon. member for Peel, who has a man in his riding who won the M.C., D.C.M. and M.M., and we are proud of him. I suggest to the genial member for Peel that he withdraw the remark that he definitely did make. I do not know about the first one. In order to expedite matters, I am suggesting that the hon. member for Peel withdraw that remark.

Mr. GRAYDON: Mr. Chairman, if I thought for a moment that there was anything unparliamentary in what I said, of course I would withdraw it. I may say to the hon. member for Vancouver Centre that I think on reflection he will realize that there was nothing unparliamentary in what I said. After all, in these cross fires in discussion if I were to rise and ask that the rules of parliament be applied to the hon. member for Vancouver Centre, on some occasions I think the same thing would apply.

Mr. MACKENZIE: I think this is out of order, Mr. Chairman.

Mr. GRAYDON: There must be a little good nature and a little good humour in the house, and we might drop this. After all, I should be the first one to withdraw if there was anything to withdraw, but there is not.

Mr. MACKENZIE: Mr. Chairman, I rise again to a point of order. I say that my hon. friend made two statements, and I can speak very quietly about the statement that he did make. In the first place he said: "My hon. friend is, as usual, endeavouring to help the government." Whether he was referring to the hon. member for Cape Breton South or yourself is in my opinion immaterial. In regard to the second remark, when I was getting up on an interruption, I said, "You cannot make that statement," thinking honestly it was made in regard to the chairman of the committee. My hon. friend said, "That is what you would like to have heard me say." I say that is a definite reflection on me as a member of this house.

Mr. GRAYDON: What is the matter with that?

Mr. MACKENZIE: I want the record read.

Mr. GRAYDON: That cannot be a reflection on anybody.

Mr. GILLIS: Mr. Chairman, may I say a word—

Mr. KNOWLES: As co-respondent.

Mr. GILLIS: I am not sitting very far from the hon. member from Peel and I heard

everything that was said. I think that a man who makes a remark in the house should be big enough to stand behind it. This is what happened, and the record will bear it out. When I sat down the hon. member for Peel said, "Trying to help the government again." I figured that he was talking about the chairman.

Mr. MACKENZIE: Yes.

Some hon. MEMBERS: No.

Mr. GILLIS: Oh, yes.

The CHAIRMAN: Order. The hon. member for Peel has stated that the remark he made was not referring to the chairman at the time he made it. At the time the hon. member made the remark I did not take it that he was referring to the chair, and he has now definitely stated that he was not doing so. We must therefore accept his statement. Some other statements have been made. There has been a good deal of cross fire during this debate, considerable of it good-natured and a little bit of it otherwise. I do not think there has been anything serious. The hon. member for Peel and all hon. members have said that they had not intended to be offensive towards anyone or towards any party. It occurs to me that at this stage we should proceed with the resolution. It is possible, of course, to have the record read, but it will take some time to do that. I am in the hands of the committee. I would ask hon. members to consider if it is not in the best interests of the committee that we proceed with the resolution.

Mr. CRUICKSHANK: This is more interesting than the other discussion.

Mr. MACKENZIE: I give notice, Mr. Chairman, that at the opening of the proceedings tomorrow, I shall rise on a question of privilege and read the record as it stands, and we shall see what the hon. gentleman said.

Mr. GILLIS: My name has been bandied about in this discussion, and I should like to clarify matters. I just wish to say to the hon. member for Peel that if saving the time of this house in getting the resolution passed, and getting the legislation to the point where it can be properly discussed in the best interests of the Canadian people, is helping the government, that will always be my attitude.

The CHAIRMAN: The hon. member for Winnipeg North Centre.

Mr. KNOWLES: Mr. Chairman, I am afraid that what I have to say will sound prosaic after the discussion which has taken place during the past half hour. I should like to say a word about the kind of information that the hon. member for Stanstead was seeking before we got into this wrangle. It seems to me that he is justified in asking the minister at this stage of the debate to provide us with information about the total cost of the government's price control programme. I would say that he has every right to list the various items which he feels should be included in such a total computation. But I feel that if and when that information is brought to the house by the minister, he should do his level best to give us the other side of the picture as well.

Mr. McIVOR: He does that all the time.

Mr. KNOWLES: Just a minute. The hon. member for Fort William I am sure will agree with the point that I intend to make. The other side of the picture is the question what the price control programme of the government has saved the Canadian people. After all, there is no point in having one side of it without the other.

My reason for pressing this with the Minister of Justice arises from the fact that I sought this information previously in the proper way, by placing a notice of motion on the order paper. The motion to which I refer was passed in this house on March 17, as recorded in *Hansard* at page 1416. I need not read the details of my motion, but it asked for two things: (a) the total cost of the government's price control programme; and (b) the amount saved by the Canadian people as a result of that programme. When the motion was passed in this house the parliamentary assistant to the Minister of Finance stated that it would be possible to answer the (a) part of that motion but that no answer could be given to the (b) part.

Various guesses have been made on this matter. One appeared in the Toronto *Daily Star* some weeks ago, attributed to an unnamed government official, which went so far as to say that for every dollar spent on the price control programme the Canadian people had been saved $55. That would be quite a return. A much more modest statement was made by Mr. Donald Gordon a few days ago before a committee of this house when he said he thought the return was about ten for one. I must be fair to him and say that he added immediately that he did not want to be held to that exact figure, that it might be something less than ten. But even if it is five for one or two for one it is still a pretty good investment. My contention is that if the minister is going to meet the request of the hon. member for Stanstead, which I think is a

justifiable request, he should meet mine as well, and try to get the other side of the picture. In other words I am not satisfied with the answer given to me by the parliamentary assistant to the Minister of Finance that it cannot be given, especially when Mr. Donald Gordon makes even the general sort of statement to which I have already referred. Accordingly I hope the minister will give us the complete picture with regard to this price control programme before we reach the point where we must decide as to its future course.

While I am on my feet there is another matter of a general nature about which I would like to say a few words, and in this I am pursuing a subject which was opened yesterday, at least as far as this debate is concerned, by the hon. member for Eglinton. That hon. member and I frequently clash, and probably will clash again, but in this instance we stand together and I commend him on the request he made of the minister yesterday. It had to do with old age pensions. The hon. member for Eglinton asked the minister if it would not be possible to take the old age pensions orders in council out of the legislation which this resolution forecasts, and instead bring in now the government's proposed amendments to the Old Age Pensions Act. In his reply the minister said that earlier this year it had been the feeling of the government that this could not be done before March 31, having in mind various considerations. He went on to say, however, that he did not know now of any reason why it could not be done before May 15. From that he went on to build up a basis on which the request might be denied, by saying that if you started to give priority to different measures soon there would be so many measures we could not get them all dealt with by May 15.

The general request—and I emphasize that to keep myself in order—made by the hon. member for Eglinton was that certain kinds of orders in council be not included in this bill, namely orders in council dealing with legislative matters. In reply the Minister of Justice admitted that there were only three subjects to be included in this legislation that are in the legislative field. Those three were labour relations, veterans' preference matters, and old age pensions.

Take a brief look at those three matters. Admittedly under the British North America Act labour relations come within provincial jurisdiction, and failing an amendment of the British North America Act, which I think is long overdue, one has to admit the validity of the government's claim that this requires consultation with the provinces. That is sometimes a slow process, and I shall have something to say about that when we come to that measure. Veterans' preference is a matter which we have been told is to be studied by a committee of this house. Well, if a committee has to meet and deal with it, perhaps that is a reason for some delay in that matter. But old age pensions do not fall in either of those categories. Old age pensions is a matter that can be dealt with by this parliament, a matter in which all members of this house are interested and toward which I know there is complete sympathy on the part of every member sitting in this chamber. So I feel it is not asking too much to suggest that priority be given that measure. I may say that I felt encouraged by the tone of the minister's remarks yesterday when he replied immediately to the hon. member for Eglinton, especially when he said he could not now see any reason why the matter could not be dealt with before May 15, and I am asking him when he replies to me if he will not admit that is a reasonable request, and will he not do his best as one member of the government to see to it that the proposed amendments are brought in just as soon as possible, certainly before May 15; for I am sure if the government's amendments provide an improvement in that legislation they will receive the ready approval of this house.

There is just one other point in connection with this whole matter of including old age pensions in this "ominous" bill, as my hon. friend to my right called it a few minutes ago. Does not the minister see the point I have tried to make several times, that we have reason to fear that if the amendments to the Old Age Pensions Act are not brought in now, but if instead the matter is taken care of in this omnibus bill which has a final deadline of March 31, 1948, there can be interminable delay in dealing with this matter? The minister said yesterday in reply to the hon. member for Eglinton that these old age pension orders in council would be revoked as soon as the old age pension amendments had passed through this house. I might hold him to that later on. There is always the possibility that it might not be quite that soon.

Mr. ILSLEY: That is right; it might not be quite that soon.

Mr. KNOWLES: Those amendments would have to pass in the other place. I should hope that other place would approve increases in old age pensions for they have theirs. Even then we do not know what that legislation is going to be. It might still require the concurrence of the provinces.

Mr. ILSLEY: Yes.

Mr. KNOWLES: And that might require sittings of the legislatures in the various provinces, which might not take place until next year, which would mean that the benefit of any increases to be provided by these amendments might not reach the Canadian old age pensioners until some time in 1948. That is the reason I am afraid of this method of dealing with the matter. It provides a basis for delay, and for that reason I have been hammering away, trying to get under the skin of the government, or whatever you may call it, in the hope that the request made yesterday by the hon. member for Eglinton, which appealed to the Minister of Justice as reasonable, might be met. I would appreciate it if the minister would comment on this matter.

Mr. ILSLEY: The fear my hon. friend has expressed that legislation may require concurrent legislation by the provinces I think is far-fetched. Of course I am hampered by not being in a position to state anything about the provisions of the forthcoming old age pensions legislation. I cannot do that. But I do not think that in any previous old age pension legislation we have required legislative action by the provinces. Perhaps we have. At any rate, they have old age pension legislation now.

Mr. KNOWLES: It would probably depend upon the nature of the provincial legislation, would it not?

Mr. ILSLEY: Perhaps so. But there is no idea of putting off old age pensions legislation so as to provide that it will not come into force for a year, or anything like that. The only question is whether we are to break into this emergency legislation with old age pensions legislation. As I asked before, to how many things are we going to give priority?

Mr. KNOWLES: Just this one.

Mr. ILSLEY: All right; and the hon. member would defer the budget until after this, would he not?

Mr. KNOWLES: Yes.

Mr. ILSLEY: Well, he might defer everything.

Mr. KNOWLES: And I think you would get the approval of the house to do it.

Mr. ILSLEY: I don't know—and take a chance on having to come back here to get another extension of time on the emergency legislation? My hon. friend would take that chance, too?

Mr. KNOWLES: To keep price control going, yes.

[Mr. Knowles.]

Mr. ILSLEY: Well, we cannot be talking about this continuation of transitional measures all summer—or I hope we cannot. I hope that if we are going to continue these measures we can have them voted on and over and done with some time soon. And when we do, we can go into our regular legislation, the important measures, of which old age pensions legislation would be one. I believe that would be the proper course to take. There need not be a long debate on the continuation of these orders in council. If the house has the assurance that as soon as we can get to it old age pensions legislation will be introduced, there need not be two debates over the same subject matter. Of course I realize it is a subject concerning which many members like to make speeches. But they do not need to do so, because they can defer their discussion on old age pensions to the legislation we introduce. We believe that priority ought to be given this legislation. I do not want to have to come back here to try to have this date extended again—this date of May 15. But I fear we are going to talk so long on the resolution stage that we shall be late in having the bill brought in; and then when we get the bill in we may take so long again in a discussion of its provisions that we may crowd pretty closely that May 15 time limit. But to ask that we break into the middle with a substantive piece of legislation, the discussion of which undoubtedly would require a long time, is not fair. That would involve government policy in the matter of old age pensions, and would be of considerable importance; it is something to which we would have to give careful consideration. I said yesterday, in answer to the hon. member for Eglinton, that so far as I knew there was no reason for delay in the introduction of that legislation except that it conflicts with the emergency legislation; that is all.

The CHAIRMAN: It seems to me that the discussion which has taken place in the last five or ten minutes has not been strictly in order. If there is allowed a discussion on orders in council relating to old age pensions and whether or not they should be included in the bill to be brought down, there is no reason why there should not be a similar discussion on the other fifty-six orders in council. Some other member may think that each one of them should be the subject matter of separate legislation. A discussion was allowed yesterday afternoon on this subject, and for that reason I did not interrupt the hon. member for Winnipeg North Centre. But I do not think the discussion should continue on any particular order in council. What is before the com-

mittee for consideration is the question whether there should be continuation of these controls, whether it is expedient to provide legislation to continue them. If any hon. member does not think that certain controls should be included in the legislation which is to be brought down, when the bill is before the house he will have his opportunity to suggest that certain orders in council be excluded. At the present time however we should stay strictly within the terms of the resolution.

Mr. CHURCH: I shall take only a few minutes. We have seen the results of this resolution. Are we to sit here day after day, day in and day out, listening to the government trying to pacify hon. members to my left, the socialist party, the totalitarian party, and all that kind of thing? Several of them have got up and suggested that they are the same as the Labour party in England. I say that if they are, then God save Canada—when we consider what has been happening in Britain in connection with coal, electricity, power, food, and everything else.

The government of the day have at last awakened to the fact that if they are to follow the gentlemen to my left, the socialists, they are going away down deep into the sea, and they had better pause before they come to the brink—because the time is not far distant when there will be an election. They can call an election, if they want to, this year—and the sooner the better, in some ways.

We have to listen to all this kind of socialist talk. And I can tell you this, that so far as the function of the opposition in respect of this resolution is concerned, as I see it, I should have liked to see it passed on Friday night. It is not just enough to bark; to oppose is the function of an opposition. But since then a great number of extraneous matters have been brought in. Are we in the opposition going to sit here and do nothing about it? I can remember away back in March, 1939, when I asked the Minister of Justice a question along these lines. Are we going to go over the same story five or six times? That has been done here. For five or six days now we have allowed all kinds of irrelevant matters to be brought into the debate. I believe it was on April 24, 1939—it was either March or April, I am not quite sure—when I asked the former highly respected minister of justice if the War Measures Act of 1914 was still in existence. He said, "No". I said, "Yes, it is." He then looked it up, and later he found out that the War Measures Act was still in existence, that it had not been wiped off the statute books. It took a long time to declare that war at an end. That was the first matter.

I wish to stick to the text of the resolution, except to reply to one or two things which have been said. In the first place, this whole emergency measure, this War Measures Act, should have been cancelled and abrogated. The War Measures Act of 1914 has been on the statute books, with only some changes in phraseology. That is the first thing that should have been done. Then, second, I would rather see the Minister of Justice bring in separate bills for what he has left. Mind you, I sympathize with the minister at the present time, because he has a hard task to answer some of the questions which have been asked.

I am sorry the hon. member for Cape Breton South is not in his seat, because I was gonig to point out what Mr. Shinwell said. The Labour party over there has everything cut and dried. They are taking over the mines. Mr. Morrison said that nationalization of the mines would not in itself produce one extra truck of coal. And Mr. Attlee declared that the whole future of the Labour party depends upon the success of the nationalization of coal mines. Here are Herbert Morrison's words of December 1, 1946:

> Nationalization will not in itself produce one extra truck of coal.

Unfortunately the Labour government has not thought the matter out. Mr. Shinwell admitted on June 11, 1946, that the socialist party had paid little attention to the extremely difficult technical and administrative problems which nationalization involves. Notwithstanding all that, here we have gentlemen to my left trying to persuade the government of the day and the Minister of Justice to follow them on socialism. If it does, the government will get into the sea, and it had better stop before it is too late.

I believe the resolution should have been reported before this. We would then be in position to deal with the motion for Mr. Speaker to leave the chair for the house to go into committee of ways and means. We have spent five or six days on this resolution.

I would like to have the undivided attention of the hon. member for Winnipeg North Centre. He is always making speeches and taking time by raising points of order. He takes more time than anyone else and then he does not want to listen to anyone. I would like to have the attention of the minister for a moment or two. The hon. member for Winnipeg North Centre does not like anyone to say anything that may affect his speeches. I am not in a hurry; I can wait, but I want the attention of the right hon. Minister of

Justice. The hon. member has spent enough time over there; he should go to England and join the socialist party.

I have great admiration for the minister in many ways. In 1924 I asked the Minister of Justice a question when he got up to give an opinion on a matter concerning the Toronto Hydro Electric Commission which was before the privy council and with which I had something to do on this side of the water. The minister was asked by the head of what was then called the progressives to give an opinion, and he gave that opinion. After he had spoken I called his attention to the fact that the Minister of Justice should not do what was done last Friday night. It has been a rule since confederation that the Minister of Justice, who is the Attorney General of Canada, should not be asked to give a legal opinion. I raised this question in 1924 and his predecessor said that I was right.

When the minister was asked for an opinion he gave the opinion of his deputy, Mr. Varcoe. He is an able man, and he should be because he comes from Toronto. The minister gave the substance of the opinion of the deputy minister of justice. This particular resolution will be followed by a bill and the Attorney General of Canada may be brought into the matter. The War Measures Act was brought up in the courts across the country, and no doubt this bill will be brought up for interpretation by the courts. The courts will have to find what was the intention of the legislature when they passed this bill to be based on this resolution. There may be disputes and the Attorney General of Canada or the attorney general of the provinces may be brought into the matter by order of a judge of the high court of justice or of the county court on any action to declare the new bill ultra vires. For that reason I think it wise that the Minister of Justice, who is the Attorney General of Canada should not be asked to give an opinion to the house.

Mr. ILSLEY: What the hon. gentleman is saying is very interesting, but I should like to ask him this question: Is what any hon. member says in the house admissible as evidence before a court as to the intention of the house? I believe it is not.

Mr. CHURCH: I believe what the minister says is quite correct. But the courts can read *Hansard* to construe the intention of the legislature, so say the textbooks on construction of statute law. I may not have the exact words of the minister, but I do not think he gave any official opinion, but that of his deputy and others. I think it is far better that no opinion should be given at all. It only leads to the sort of debate we have had by hon. members to my left and by hon. members from our sister province.

Reference was made last Friday to decisions of the privy council. It is a blessing to this country that we have the privy council at the present time, otherwise everything connected with provincial rights would have been wiped out. It is the one court where the litigant can get justice and minorities their rights. You have only to read its decisions to know that that is the court that holds a system of checks and balances between federal and provincial rights under our federal system. It is a blessing to our country that we have that court.

When a war is on it is a different matter, but the war has been off for two years. The War Measures Act of 1914 should be repealed, as the hon. member for Lake Centre said the other night in his very able speech. The decisions referred to, including Snider and Toronto Electric Commissioners, do not relate to the war at all, and it is beyond me why the words "peace, order and good government" have been used as a basis for the resolution now before us. I would like to see the resolution reported. Silence in parliament, I take it, means that we are assenting to what has been done or to what has been said here for six days. A lot has been said here in the last five or six days. In my opinion the country is not going to stand much more of this socialism. The people in the constituencies are sick and tired of the increasing debt of this country and the over-taxation and over-government that we have. Lord Halsbury, Lord Chief Justice, once said:

> I think it is something new in the history of this house that it should be admitted that a bill is injurious and unjust, and that nevertheless your Lordships are not to protest against it.

The public is bewildered that no lead is given to them. On September 11, 1945, which I think was the third day after we met in this parliament, I objected to what had been provided for in the address. I said that in my opinion the country demanded certain measures for private industry and private enterprise and initiative. That is the key to the solution of our economic problems from Vancouver to Halifax. There should be an extension of the national policy, not only for capital but for labour, for coal and for all other industries. That should be the policy of the future as far as the government is concerned. I do not blame the hon. member for Vancouver Centre for getting sick and tired of all this business. He is supposed to be an astute politician and I know he is getting sick and tired of what he hears

from that leftist corner. The people of this country want to know all about the bill. In my opinion we should change our rules and our way of doing business; for if we go on as we are doing now we shall be here all summer. I am against following the methods of socialism and destroying private enterprise and private capital and hamstringing private business as has been done in the past.

Mr. POWER: Mr. Chairman, just for my own sake at any rate, and to keep the record straight, I should like to call your attention to what you said a few moments ago, namely that there was only one question before the house, whether we were in favour of or against controls. I very respectfully wish to differ in opinion with you, Mr. Chairman.

There are fifty-seven bills before us, all in one bill. Only ten or fifteen of them, so far as I can gather, refer to controls. The rest refer to all kinds of other matters. The objection I raised earlier in this debate, and which since the debate started I have found no reason for abandoning, is to the method followed in bringing before the house fifty-seven money bills in one bill without explaining what each money bill involves, what specific or at least what readily ascertainable amount is involved. I do not believe that is the proper way in which legislation should be introduced. It may be a more convenient way, but democracy does not look to the convenience of ministers or rules but rather to the convenience and ease of the governed.

Certain suggestions have been made to the minister by the member for Winnipeg North Centre, the hon. member for Eglinton, the hon. member for Vancouver South and others, to the effect that it would be possible to take about twenty-five of these orders in council out of this omnibus bill and introduce and pass them separately. The only answer I have heard from the minister is that he does not wish to give priority to these particular bills. But what would prevent him, for instance, from introducing a bill to amend the Civil Service Act to give a preference in civil service appointments to returned soldiers who served in the war of 1939-1945? I am not asking for priority for that bill. If it is not passed by May 15, I for one would be quite willing to have the order in council extend until such time as that bill could be passed. But do not get that mixed up with other things that have no connection with it. I may be all wrong, but I think it is throwing doubt in the minds of these veterans as to their right to have the same sort of treatment as the soldiers of 1914-18 received by providing for it in this kind of bill. It seems to me that everybody is agreed upon giving the veterans this preference. Therefore let us introduce a bill to amend the Civil Service Act accordingly and send it before a committee of this house, if you like, and if it is not passed by May 15 there will be no difficulty in granting an extension of these four orders in council. The same with respect to old age pensions and the same with respect to labour relations.

I have strong objections to having inserted in our statutes fifty-seven pieces of legislation in one bill, to be duplicated by other statutes. Look how ridiculous it will make us appear in the years to come. When people are looking over the statutes of this year of grace, 1947, they will see, in identical language, one piece of legislation appear as an appendix to an omnibus bill stating that the returned soldier of the war of 1939-45 will have certain preferences, and then twenty pages further on in the same statute book they will find a law to amend the Civil Service Act stating exactly, so far as one part of it is concerned, what is contained in an appendix to an earlier statute. It seems to me that it will only tend to involve people in confusion.

I should like to make reference to something else that has been said in the course of the debate. It seems to me that a debate on the resolution is perfectly proper. There is nothing out of order in it. I do not know of any rule of the house that would preclude members from discussing the financial provisions of any resolution. That is what the resolution is for. It seems to me it is going a little far to be repeatedly telling us we are out of order in discussing the financial provisions of the resolution that is before the committee.

The only precedent I know of, and I referred to it a week or so ago when I made a few remarks in the house, is the unemployment and farm relief bill of Mr. Bennett in 1931 and the Unemployment and Farm Relief Continuance Act of 1932. That bill was debated—I have not the exact dates but it looks to me as if it was debated from March 8 until the end of March or the beginning of April and then closure had to be applied to pass the resolution. At that time the debate was on the financial provisions of the resolution and the extraordinary powers being taken by the Bennett government. That was not so very long ago. It is the latest precedent of this kind of extraordinary legislation that I know of, and I can see no reason why there should be complaint if we try to discuss what should be discussed on a resolution introductory to a money bill.

I can see no reason why we should not ask the minister to withdraw from the appendix

to this particular bill certain provisions and place them in a separate bill. I do not think that is out of order, with all respect, Mr. Chairman. I do not think it would be out of order to ask the minister to bring in a separate bill dealing with the regulations for the administration and distribution of naval, military and air force estates. Why put that in with timber control, or with the commodity prices stabilization fund, or with a new sugar control which is to be formed by changing the name of a corporation known as the Food Corporation or something of that kind, instead of setting up a new corporation? Surely the matter is involved enough already if we deal with only one matter, but it is rendered far more involved when we are asked to deal with forty or more bills which have nothing to do with controls or the principle of controls.

Mr. ILSLEY: Mr. Chairman, I should like to say a few words about the position taken by the hon. member for Quebec South. As I understand it, one of his objections to this bill is that this is virtually blank cheque legislation and that the amount of the expenditures contemplated under these orders in council should be specified in the resolution. I want to point out that this resolution is not similar to the resolution to which my hon. friend referred as having been passed in 1931. The point of difference is extremely important. The resolution which related to farm and unemployment relief, and which will be found at page 4275 of *Hansard* of July 29, 1931, reads as follows:

> That it is expedient to bring in a measure to confer certain powers upon the governor in council in respect to unemployment and farm relief; and for the maintenance of peace, order and good government in all parts of Canada; and to authorize the governor in council to expend for the said purposes out of the consolidated revenue fund such sums as may from time to time be necessary.

The position we took at that time was that authority to pay undefined and unlimited sums out of the consolidated revenue fund was in effect a blank cheque which should not be given to the government. The situation is entirely different if the money is to be provided out of money appropriated by parliament, as is the case in the legislation before the committee.

The other night the hon. member referred to the Commodity Prices Stabilization Corporation. He pointed out the fact that one of these orders in council provided for the setting up of the Commodity Prices Stabilization Corporation and authorized that corporation to buy and sell goods, to import goods, and to pay subsidies on goods. He argued that when we do that the minister must certainly be in a position to come before the house and state the limits of the financial liability of the government in respect of the Commodity Prices Stabilization Corporation. The answer to that is that the limit of our financial responsibility in respect of the Commodity Prices Stabilization Corporation is found in the estimates. The amount voted for the proposed Commodity Prices Stabilization Corporation is $35 million. That is provided for in the estimates. It will be found on page 69 of the main estimates under finance, vote No. 499, "Commodity Prices Stabilization Corporation, $35,000,000". Just above that may be found vote No. 498, "wartime prices and trade board, administration, $6,410,000". If the amounts that were to be spent by boards operating under these orders in council were to be paid out of the consolidated revenue fund without its being necessary for parliament to provide the money the hon. member's point would be perfect. It would be blank cheque legislation; it would be on all fours with the legislation we attacked in 1931. That is not the situation. As a matter of fact, the form of this resolution is the form which this house has passed repeatedly under similar conditions. For instance, when we propose to authorize the formation of any new department like the Department of Veterans Affairs, which dispersed as much as $700 million in the course of a year, we do not put any figure in the resolution. The reason we do not put any figure in the resolution is that we have to vote the money separately. When we do vote the money we have most specific resolutions. A great number of them go through with the amounts of each vote provided in these resolutions.

I have in my hand a copy of *Hansard* for the session of 1944, volume 2. On page 1638 may be found such resolutions as this:

> That it is expedient to provide for a Department of Veterans Affairs to replace in part the Department of Pensions and National Health and to assume the management and control of and to consolidate in such department all matters not by law assigned to any other department relating to the care, treatment, training or reestablishment of members and former members of the armed forces and other persons and all such other matters as may from time to time be assigned; and to provide further for the appointment of such officers, clerks and employees as are necessary for the proper and efficient administration of the act.

Generally speaking, that is the form of resolution which is passed when you are vesting a department, a board, a commission, or any other body, with authority to disperse money and employ officers, servants and agents. That is the reason for the form of this resolution.

The hon. member takes exception to the fact that we have combined these various orders in council dealing with disparate matters in one bill. I must say that we never would enact new legislation in this way. If there were any danger whatever that this was a precedent for bringing along new legislation and combining various subject matters in one bill and putting it in one schedule I would be alarmed. We never would do that. The schedule to this bill is a schedule of orders in council, all of which are the law now and have been the law for years, some of them for more than nine years. They are well known to people who have been interested in them. They are not new. All this legislation does is to prevent these orders in council from lapsing, while it allows everything else to lapse. That is all it does. It just prevents these from lapsing. Under these circumstances I do not think it is proper to describe it as a combination of fifty-seven different bills.

It must be borne in mind that when the house passed the National Emergency Transitional Powers Act and extended it in 1946 it gave sanction not to fifty-seven orders in council but to six or seven thousand. The house passed that legislation without hon. members having any of these orders in council before them on their desks. The orders in council were accessible to them; they could be consulted, but they were not put in a schedule to a bill. It is entirely inconsistent to swallow six or eight thousand orders in council without looking at them, by passing legislation, and then to object to passing fifty-seven orders in council which are before hon. members. That is the situation here. I thought this matter was given a great deal of consideration as to what was the proper thing to do.

I said that this had been done in Great Britain and in Australia, and I was told that it did not make any difference what they did there; that we have our own democracy and should follow our own rules. I wholly agree. I would not follow a certain course of procedure because it was followed in Great Britain, in Australia, or in the United States. But if the reasons for taking a certain course in Great Britain were sound, or for taking a certain course in the United States or Australia were sound, and the same reasons existed here, the fact that they took a certain course would raise the presumption that we were not very far wrong in taking the same course.

In Great Britain and in Australia they had the same problems before them. I have the bills before me. The name of the bill in Great Britain is the Emergency Laws Transitional Provisions Act of 1946. It has a long schedule with all kinds of regulations. They call them regulations over there. Our own orders in council are regulations by orders in council. Here are many pages of regulations dealing with all kinds of things. All this act did was to pick up what was the law of the land then by regulation and say that these that are appended to the bill shall not lapse. It is quite a different matter from initiating new legislation. They did the same thing in Australia. Provision apparently was made for amendment to them by the house.

I thought I tried to make it clear at an earlier stage of this discussion that the government is not taking power to legislate by order in council. The government has been accused of wanting power to legislate by order in council instead of legislating in the house. I made it clear, I thought, earlier in the session that by this legislation we were saying, "No longer shall we have any power whatever to make any changes in these orders in council or to pass any orders in the fields covered by these orders in council. We shall have no power to do that any longer. We shall retain the power to revoke the orders in council in whole or in part, but these orders in council are frozen." Parliament expresses its will in the matter. It places its imprimatur upon these orders in council and says, "Under that code you must operate during the remainder of the time and under no other."

I do not know whether I need to go over again the principles upon which these orders in council were selected. They are orders in council which are expected to be required for a short period of indefinite duration. I cannot put it any more briefly than that. Some of these orders in council will be revoked within a matter of weeks; some of them will be revoked within a matter of months; some of them will run the whole year; and as to some of them, we may need to come back and ask that parliament extend them further at the end of the year, depending upon what developments are. Provision will be made in the act for the presentation of an address, so that parliament can do that. But parliament will do it; it will not be the governor in council. In no sense will it be legislation by order in council. There do not seem to be any good or practical reasons why we should take orders in council which may last for only a few weeks or only a few months and pass separate bills regarding them.

My hon. friend speaks about the confusion that the reader of the statutes will have when he sees in the same statute book an act relating to veterans preference and an order in council appended to this so-called omnibus bill. The position will be perfectly clear. I

think, to the reader of the statutes. Undoubtedly, when that statute takes effect, the order in council will be revoked. Perhaps the statute itself will revoke the order in council. That would make it clear beyond peradventure that there are not two acts but only one, under which the veterans preference is provided. The reason why we did not introduce a bill at the beginning of the session was that we were given to understand; or perhaps I should not say that we were given to understand, but rather that we thought, from the representations which we had received and the controversy which there had been, that this matter of veterans preference would create a great deal of discussion, and that the proper way to deal with it was to refer it to a committee. I do not know now whether that is to be done or not, but we did not think there was any reasonable prospect of that bill, if we introduced it, becoming law before March 31; and certainly it would not have, as events have proved, because so much time has been taken with other legislation such as the wheat board legislation. In that situation, where it ought to be incorporated in legislation, where you know you cannot get your legislation through before March 31, where there may be much controversy about it, and where a reasonable way of dealing with it, as we thought, was to refer it to a committee of the house, what was the sensible thing to do? Was not the sensible thing to do to continue this order in council until the legislation should be passed, at which time the order in council would be revoked?

The same or substantially the same considerations apply to the old age pensions legislation and also to the labour relations legislation. In those cases there were special reasons why we thought it was impracticable to have our legislation enacted before this emergency act lapsed, and therefore we decided that we should continue it and not let it lapse, but have our legislation introduced as soon as we could. If we break up this schedule now and introduce a number of bills, each with its first, second and third reading in this house and in the senate, it will immensely prolong our work during this session, and I do not see any reason for doing so. This case does not create a precedent for new legislation. This is a situation which arises once in a lifetime; perhaps it will never arise again. It is a situation which arises at the end of a great war, when you have many emergency orders in council, some of which must not be allowed to lapse; some of which will run for a short time and some for a longer time. In that case it appeared to us to be the practical and right course to gather them up and, if they were orders in council which would be required for a short period of indefinite duration, put them in one bill and then get rid of them by revocation from time to time as the occasion might require.

There was another class of orders altogether that we replaced by legislation, such as the wheat board orders. There was a large number of orders that we replaced by legislation, but the careful selection was made of these for the reasons I have mentioned. It is a course of procedure which parallels that taken by other peoples in other countries who were confronted with a similar problem. It is a course of procedure which economizes the time of this house in a session which promises to be very long anyway. It is not blank cheque legislation. It does not create any dangerous precedent. It affords the house an opportunity of discussing every one of these measures seriatim in committee of the whole when the bill is before the committee. In my judgment, it is a course which should receive the support of the house.

Mr. HACKETT: The minister's interesting point of view has done this, if nothing else: it has accentuated and proven to the house the first point raised by the hon. member for Quebec South. We are dealing, to quote the minister himself, with a bill the like of which has never previously been before parliament and is not likely to present itself again before this body. The point which the hon. member for Quebec South made—and one which I hope impresses itself upon the chairman as well as upon the committee—was that there is nothing unusual, nothing against the rules of the house in discussing at length a resolution of this type. The right hon. gentleman, in acknowledging that a resolution some fifteen years ago was discussed for a month in this house, and that he and the hon. gentlemen who surrounded him yielded only when closure had been imposed upon them, accentuated, I think, and endorsed the point which was made by the hon. member for Quebec South, to the effect that this is the way to elicit information necessary to the proper weighing and discussing of the bill on second reading.

So far as my observation has gone, I must say that the minister has not been impatient nor has he been unwilling to answer questions. I do not think any members on this side of the house can complain about his attitude in that regard.

As to the other points raised by the hon. member for Quebec South, I shall not deal with them; but I do ask you to recall, Mr.

Chairman, that matters very unusual in character are before the committee and information is being sought which at the moment is not available even to the ministry itself, information the committee needs in order to express an enlightened opinion upon this resolution.

I was interrupted earlier in the afternoon when I was asking the minister for information concerning certain subsidies. He was good enough to tell me where some of that information could be found, but he referred to some difficulty that might arise in putting into the form of a statement amounts paid in remissions of customs duties or excise taxes because, he said, it was possible that some of these remissions might have been enacted for one purpose and some for another. Whatever may have been the purpose, these remissions of customs duty and excise tax constitute a loss to the treasury. They are amounts that would have been available to defray the expenses of the government had it not been for their elimination, and I think the minister will agree that they enter into the total cost resulting from regulation. I am going to ask the minister if it would be possible to have a statement prepared showing the total amount of these remissions of customs duty and excise tax, and any other benefits which may have been conferred or other taxes or duties which may have been remitted, putting them into such categories as he deems fair, with such explanatory notes as he thinks would complete the information necessary for hon. gentlemen who are anxious to bring their best powers to bear upon a situation which as yet has not been fully disclosed.

The CHAIRMAN: I feel that I should make my position clear with respect to my view as to the proper procedure in regard to this resolution while it is in committee. The hon. member for Quebec South referred to the fact that I had said the purpose of the committee was to consider whether or not it was expedient to continue controls. Probably my language was not sufficiently definite, and I thank the hon. member for bringing it to my attention. I should have said the committee must decide, according to this resolution, whether it is expedient to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, and also with respect to the other words in the resolution.

The hon. member for Stanstead suggested that I should allow full discussion on this resolution. I wish to assure him and all other hon. members that this is my view also; but I do suggest as strongly as possible that the discussion should be on the resolution, not on extraneous matters and not on the bill. When I was speaking the other day with regard to the point of order I referred to Sir Thomas Erskine May's Parliamentary Procedure, fourteenth edition, from which I read these words:

> Debate in committee on a financial resolution is confined to the terms of the resolution itself and must not be extended to the related bill.

This house has adopted a form of procedure. Briefly it is as follows. On money matters there is first a resolution. To my mind, discussion on the resolution, should be along the line of whether or not it is advisable to bring in such a resolution, instead of going into the details of what the bill will be. After the resolution is adopted, a bill is introduced and given first reading. Second reading is not given immediately; an opportunity is afforded hon. members to consider the legislation; and the following day, or some later day, when they have had that opportunity, second reading is moved in the house. At that time a full discussion of the principle is permitted. Then the bill is referred to committee, where questions may be asked as to the details of the bill.

What I am endeavouring to do is to direct the attention of the committee to the resolution, not to the bill. I realize that it is very difficult. I believe all information should be given hon. members to enable them to decide intelligently whether or not this resolution should be adopted and whether it is expedient to introduce a measure to provide for the continuation of certain orders, and so on. All necessary information should be given to enable hon. members to come to a conclusion as to whether it is desirable to provide for the continuation of the orders; but when we discuss the bill itself we are far from the resolution. A number of hon. members have mentioned certain regulations and suggested that they should not be included in the bill. I repeat what I said previously. If one hon. member mentions one regulation, such as old age pensions, and says that should not be in the bill, there would be no reason why another hon. member should not bring up and discuss some other regulation and say it should not be in the bill, there would be no reason why each of these fifty-seven regulations could not be discussed at this time. I submit to the committee that is not the purpose of the consideration of this resolution. I believe any discussion as to whether or not certain regulations should be in the bill should be left over until the bill itself is before the committee. If at that time the committee does not think

certain regulations should be in the bill a motion can be made to have them eliminated. Nothing can be gained, as far as this resolution is concerned, by discussing these regulations now. We cannot amend the resolution in that way. A full discussion of each of these fifty-seven regulations would not allow us to amend the resolution, and it is the resolution we are considering. Therefore I feel that in the interests of the committee hon. members should remain strictly within the terms of the resolution and discuss the resolution only, not the bill.

Mr. HACKETT: I hope it is not suggested that the questions which I have asked, and which the minister has had no opportunity of answering are not within the strictest terms of the resolution. I have made no reference to regulations; I have made no reference to the bill. My questions are based upon the resolution.

The CHAIRMAN: I did not rule the hon. member's questions out of order. Indeed, I did not question them. I believe the minister said that at some time he would endeavour to get the information. He did not suggest that he would get it before the resolution carried, but that he would endeavour to get it at some time before the bill was introduced.

Mr. ILSLEY: Yes. I believe I said earlier this afternoon that I would try to get that information for the hon. member, and I suggested that it would be impossible to get anything worth while before Monday. I said I would see if I could get as much as possible of the information for him by Monday.

Mr. KNOWLES: And an estimate on the other side, too.

Mr. ILSLEY: Yes, if it is possible to make that estimate. I will try to see if that can be made.

Mr. KNOWLES: Ask Donald Gordon.

Mr. HACKETT: Will the minister say if the supplementary estimates have been included in the cost which was considered, when he was comparing the Canadian cost of living index with that of the United States?

Mr. ILSLEY: Well, the supplementary estimates do not increase the cost of goods, do they?

Mr. HACKETT: I did not know but what they might have something to do with payment for them, or with outstanding liabilities.

Mr. ILSLEY: Perhaps I understand what the hon. member means, and perhaps I do not. The cost of living index is just what the words imply. It is an index of the cost to the consumer of the goods he requires for living purposes. That is what the cost of living index is; and it should not be necessary for any hon. member to ask whether subsidies paid by the government are included in that index. The index is made up of what a buyer of goods has to pay for them.

Mr. HACKETT: Yes, but whether he pays the merchant or pays in taxes does not make much difference, so long as it comes from him.

Mr. ILSLEY: Well, I do not hesitate a moment; and, as I say, I do not know why the question should be asked, or why anyone should ever hesitate to answer it. When we are giving information about what people pay for goods, we are not giving information at the same time in that statement about what they pay in taxes. Of course we are not.

Mr. SKEY: I wish to support the view taken by the hon. member for Stanstead, and to make some observations respecting the words "national emergency". I feel that I, like every other hon. member in the committee at this time, should be trying to balance two things: first, how much has the situation of emergency been caused by the policies of the government, and second, how much comes as a result of the war?

I can see exactly what the hon. member for Stanstead is seeking. He is seeking information which will permit him to weigh in the balance how much the government has paid for this policy of control it is now advocating; what is the cost to the country in subsidies, remissions of customs duties and excise taxes, and whether if we were to abandon the government's policy the resulting tremendous reduction in taxation would not be worth while.

I say in all seriousness that if hon. members wish to balance their views they are entitled to that information. I believe that probably many hon. members on the government side of the house would want to know the same thing. We are not in a position at the present time to assess the cost to Canada of the government's policies, and I believe that is why we are seeking this information.

It is perfectly easy for anyone to see—and I am sure my C.C.F. friends will agree with this—that without much trouble a cartel could be produced under the wartime prices and trade board. A price fixing agreement is made, and industry is brought in under one leadership. In turn the country may suffer from that. Therefore I contend that the committee should have this information before it. If

this is the right stage at which to give it, then I hope we shall be able to have it fairly soon so that we may proceed with this discussion.

Mr. DIEFENBAKER: Mr. Chairman, we have listened this afternoon to the discussion of a question which I believe is of great importance, namely the cost to the country of price control. As a result of propaganda that has been continued throughout the period of the war, and since, there has been embedded in the minds of the people a terrible fear of what will happen to them and to the country in the event of price controls being discontinued.

As a matter of fact, there has been propaganda—I am sure it was not intentional—which has consisted of building up a comparison between United States and Canadian costs of commodities. The result is that people are fearful of any change taking place in the whole matter of prices. I believe there has never been any fair comparison made by setting the cost of living indices of the United States and Canada alongside each other. That does not tell the picture at all. In order to have a proper picture it would be necessary to have the taxation levels of these two countries. And from information all of us have available to us it would appear that, on incomes under $3,000, the income tax in the United States is materially less than it is in Canada. In addition to that, with the exception of a number of states, in the United States they do not pay a sales tax such as we have in Canada. These are elements which must be taken into consideration.

I have the full information before me respecting our own cost of living index, as it is contained in a pamphlet entitled "Wartime Controls", issued by the wartime information board in Ottawa on September 12, 1944. This contains particulars as to how the index is made up. So far as that cost of living index is concerned today, based as it is in many instances upon commodities no longer in production—much less in consumption—the index gives a false picture in that it creates a delusion based upon the fact that non-existent goods do not rise in price. In other words, it is based on unrealities in that it is based on various commodities which are no longer being produced.

The hon. member for Stanstead raised a good point when he asked how much this subsidy system has cost the country. I have seen various estimates. According to the estimates contained in the reports of the wartime prices and trade board and the stabilization board, the total would be approximately $650 million, which would include some $54 million for administration. But those estimates do not tell the story at all, because they do not give the cost of some of the methods employed by the government, such as the suspension of customs duty, the remission of excise taxes and so on, all of which reduce the public revenue.

I should like to deal with a commodity which is in short supply, not only in Canada but in other parts of the world, a commodity which is controlled in Canada by international agreement. I intend to take sugar and the sugar control as an indication of how the picture revealed by the report of the wartime prices and trade board is not correct. On page 1505 of *Hansard* there appears an answer given to the hon. member for Lethbridge in connection with raw cane sugar. It is stated there that the government lost some $233,834 in a twelve months period on its operations in connection with sugar. However, a little later on it states that other revenues resulted in the sugar administration operating at a profit of $287,951. I ask the minister: What are the other revenues of the sugar administration? Has the sugar administration been permitted to run some other business? If so, what is the nature of the investment that it has made?

I go on from there to submit that, while the answer on March 19 states that there was an operating profit of $287,951 in connection with sugar, that statement does not reveal the story at all. Instead of there having been a profit, there was actually a loss of several million dollars. I am going to place certain figures before the minister in order that he may make an answer. If my computations be correct, instead of the sugar administration making an operating profit of $287,951 out of its sugar and other businesses, the loss in fact amounted to almost $7,000,000 in revenues to the people of Canada.

The figure given on page 1508 of *Hansard* show that the sugar administrator obtained thirty-five per cent of his 1947 supply of sugar from Cuba, Santa Domingo and other countries in connection with which there is normally a duty of $1.29 per hundredweight.

Mr. HACKETT: It is really forty per cent.

Mr. DIEFENBAKER: It may be, but I am giving it approximately. It is estimated that 213,000 tons of sugar will be imported from the countries I have named, and normally the customs duties on that sugar would amount to $5,517,000. In other words, while the sugar administration claims that it made $287,951, it fails to show that in making that it lost $5,517,000 in customs duties.

I pass on from there to the other countries. Forty-seven per cent, or 287,000 tons, will come from other British countries, and the preference duty in these cases is twenty-nine cents per hundredweight. This represents a further loss to the country of approximately $1,665,000. In other words, as a result of sugar control there is a total of $7,182,000 lost to the revenues of this country during the current year. Subtracting what is given as the profit leaves a loss of $6,894,000, by reason of the remission or whatever you call it when customs duties are not charged. I might mention that Canada is the only country of the three countries in the sugar pool which is not collecting normal duties.

We come now to the local situation. Our domestic beet sugar production will be 222,000,000 pounds this year. If the domestic production of sugar were encouraged sufficiently to engage the full capacity of our factories there would be produced 320,000,000 pounds. We are in an international pool, but if the production of beet sugar were encouraged Canada's share would be immeasurably increased. If the other of the two large factories in Ontario were in production there would be an additional 50,000,000 pounds of sugar produced in Canada, which would make a greater supply of sugar available to Canada as well as encouraging an industry in this country.

The figures given in connection with the sugar control picture do not establish the true loss to this country. The hon. member for Winnipeg North Centre said today that we want the whole picture, and that is what we are asking for.

Mr. KNOWLES: Both sides.

Mr. DIEFENBAKER: That is the purpose of the discussion at this time. We want to find out what the picture actually is. On the one hand, we have a statement showing the benefits of control, but that statement fails to place before the people the picture with reference to what it is costing the taxpayers to apply this control. I should like the minister to take up not only sugar but the various other commodities with respect to which duties have been remitted or withdrawn or postponed. We would then have the picture before us as to the real cost. The estimate of $650 million given in the reports of the wartime prices and trade board and the stabilization board covers merely one side of the question. It does not cover the tens, yes, hundreds of millions of dollars represented by tariffs, by excise not charged and by other matters to which reference can be made later. I ask the minister to give the committee, as I know he will, a full statement, so that for once we shall know in this country the actual position.

We hear so much about how much lower prices are in Canada than in the United States. But as a matter of fact within the past month, in the United States prices of commodities from which the ceiling has been lifted, after having risen in December and January last, and particularly in December, to a high level, receded gradually until today in most cases prices on comparative commodities are not any higher in Canada than in the United States; and if consideration were given to the difference in wage levels between the two countries and in taxes and other elements that go into the cost of living and to availability, to which I made reference earlier, the argument that we have heard so often used in the past that price control is placing us in Canada in an immeasurably better position than the people of the United States would be found not to be so applicable today. As a matter of fact, the "Letter Review of Toronto", in a very full review made in the latter part of January of prices of all commodities, clothing, food and all the things ordinarily used by the average household, as between the city of Toronto and the city of Buffalo, shows that, while there was an increase in prices in the United States when price control was removed, the increased production resulted in availability, and availability resulted in a return to more or less normalcy in the matter of prices. At the moment I am not advocating one thing more than another. I am just placing before the committee these comparative figures.

Further, Mr. Chairman, the Bank of Canada has put out various charts and graphs showing relative wage rates and commodity prices in the United States and Canada, but all these graphs that I have seen have been in respect of prices in the months of November and December, 1946. I have seen none for February or March, 1947. I would ask the minister to place before the committee on Monday, if it is possible for him to do so, a comparison showing wage rates and cost of living index as between the two countries as of today, for the graphs hitherto have been comparisons for November and December, 1946, when it is admitted that prices in the United States were high.

Mr. ILSLEY: Would the hon. member refer me to the document from which he was quoting which referred to prices in Buffalo and Toronto?

Mr. DIEFENBAKER: I will furnish the minister with that.

Mr. MacINNIS: I gather, Mr. Chairman, that after what was said by the last speaker, the debate is now wide open, and that I can say the one or two things I wish to say.

The hon. member for Lake Centre stated that considerable propaganda was being spread in favour of price control. He said that he did not think the propaganda was being spread consciously but that the impression left by certain reports, and comparisons made in government statistics, was that price control was saving money for the people of Canada. I do not know whether propaganda has been spread either consciously or unconsciously in favour of price control, but I know definitely that there has been a great deal of propaganda against price control.

The cost of price control to the people of Canada was mentioned as being something over $600 million. But the people of Canada can only mean all the people of Canada, and if price control cost the people of Canada $600 million or whatever the actual figure was, that cost was reflected in lower prices to all the people of this country. It is just as broad as it is long. Whatever the cost may have been in taxes it was represented in the saving to the people when they purchased goods. In my opinion, there is not the slightest doubt in the world that, since price control came into effect in this country not only has it saved the people of Canada money in the cost of the things they had to buy, but because they were able to buy and because we had orderly rationing and stabilized prices we not only saved dollars and cents, but also saved in the health and strength of our people and in the orderliness of our society. These are gains that cannot be measured in dollars and cents, and there is no doubt that these gains have been made.

I imagine that the hon. member for Lake Centre is receiving letters from organizations and individuals in his constituency as I am from individuals and organizations in mine, protesting against any quick removal of price control. These letters come from responsible organizations. I am sorry I have not my file with me or I would mention their names. But propaganda is not necessary to convince the housewife of the value of price control when she goes to market and finds that, without price control, she has to pay ten, twenty or thirty per cent more than she had to pay last week for the same article when price control was in effect.

An hon. MEMBER: Fifty per cent more.

Mr. MERRITT: Why not make it eighty per cent?

Mr. MacINNIS: It might have been eighty per cent because, once you take control off the increase in the price will be whatever the traffic will bear and whatever the greed of the seller determines to make it. You can get it for a while. You can get it if there is a scarcity of goods, and when you come to the time when supply more than equals the demand artificial scarcities will be created, as they have been created in the past, in order to maintain prices.

Mr. JAQUES: It is not necessary.

Mr. MacINNIS: I do not know whether it is necessary or not. It would not be necessary in a properly organized society, but it is done in the cut-throat society we have today. That is what I am saying. We should be clear about what we decide here.

If price controls are removed those of us in this house will not feel it much. A family getting $6,000 a year is in the middle or high income brackets. But take the thousands and hundreds of thousands of families in Canada who are receiving $1,500 or $1,000 a year. The removal of price controls is an important factor in the lives of these people where every cent has to be counted. I know these people. They are people who have to consider whether they will take a street car or walk and save six cents. These are considerations in the lives of the common people of this country. When I hear people talking for big business which is interested in exploiting the people of Canada, and not their social welfare, I feel that there is something radically wrong with our outlook on life.

I suppose controls will go within a brief period of time, but when they do, there will be organizations and delegations, many of them, on the doorstep of the government—and I do not care who that government will be—insisting that controls be imposed in order that they may make a living. Controls will be imposed.

I read in the Ottawa *Journal* yesterday that report of a debate in the Ontario legislature. In that debate Mr. Acres, a Progressive Conservative member, suggested a pretty complete control over the distribution of milk. He suggested that cities and towns in the province should be divided into zones and that certain deliveries be made only in those zones. According to the same report, the Minister of Agriculture of Ontario said that although there was a scarcity of dairy products, dairy farmers of Ontario had difficulty in selling their milk. Surely there is something wrong in a society of that kind.

As controls go, and as we get back to the so-called economy of supply and demand, these conditions will be accentuated as they were accentuated in the years between 1930 and 1939.

Mr. ILSLEY: The hon. member for Lake Centre made certain general references to prices in the United States. I was surprised at some of the statements he made because they are at variance with my information. I shall await with interest the document to which he referred with regard to comparative prices. My purpose in rising is simply to read into the record a dispatch from Washington dated March 26, which has been called to my attention by my colleague.

Mr. HACKETT: What paper is the minister quoting from?

Mr. ILSLEY: The Ottawa *Evening Journal.* The dispatch reads as follows:

> Washington, March 26—(BUP)—President Truman today expressed concern over high prices and advised business to make reductions wherever possible.
>
> Mr. Truman told a news conference he hoped prices would not continue to rise, lest a serious inflationary spiral set in.
>
> The President added that he hoped business would see the handwriting on the wall so this spiral would not take place.
>
> He pointed out that some major industries already have cut the prices on their products. He expressed the hope that other businesses would follow suit.
>
> Mr. Truman was asked to elaborate on his phrase—handwriting on the wall.
>
> This meant, he said, that he did not want to see a spiral in prices which would cause inflation and lead to another round of new wage demands. This process could be endless if prices continue to rise, the President said.

My information is that the hope of lower prices in the United States has been largely disappointed. I shall get the figures so that I shall not be talking generally; I hope that the hon. member for Lake Centre was not.

Mr. DIEFENBAKER: I told the minister I would give him the document.

Mr. ILSLEY: We shall eventually get the facts of the situation.

Mr. DIEFENBAKER: It is the letter of January 19, 1947.

Mr. ILSLEY: I wish to give the hon. member for Vancouver South a little information which he asked me for yesterday. He asked me to state what orders in council would be replaced by legislation. The orders in council which will be replaced by legislation are the four orders in council relating to old age pensions, the order in council P.C. 1003 relating to wartime labour relations and the five orders in council relating to the civil service commission, on page 1 of the table of contents. That is the lot.

Mr. GREEN: These are the only ones?

Mr. ILSLEY: Yes; that is my intention at the present time, and I think I can say pretty positively that these are the only ones which will be replaced by legislation.

Mr. HACKETT: The hon. member for Lake Centre has made some reference to sugar. The international food council has, I believe, allotted to Canada some 504,000 tons. Is it true that the excise tax of $1 per 100 pounds has been abolished or eliminated on refined sugar?

Mr. ILSLEY: I am sorry, I am not in a position to answer that question. The history of these excise taxes has gone out of my mind. It seems to me that there was a tax of two cents at one time and that it was divided in two. The hon. member is asking whether there is any tax at the present time. Is that the question?

Mr. HACKETT: The hon. member for Lake Centre has pointed out that there has been a hidden subsidy in the form of a remission of import duty which he has figured out to amount to about $7 million per annum. I have been under the impression that there is or was an excise tax of $1 per 100 pounds on refined sugar, and that that tax has been remitted or is no longer exacted as a condition of control.

Mr. ILSLEY: That may be so. I will get the information.

Mr. HACKETT: I was trying to get that information. If that be true, it means that 504,000 tons of sugar, yielding something over one billion tons of refined sugar, would yield an excise tax of something in excess of $10,000,000. So that if my information and belief be correct, there is a small item of $10,000,000 a year to be added to the $7,000,000 to which the hon. member for Lake Centre has referred. It would be of some interest to the committee to know if this excise tax amounting, as I say, to about $10,000,000 a year has been absorbed.

Mr. ILSLEY: We should not get it in our minds that when a duty or tax is removed we are thereby giving a subsidy to anybody. The hon. member has almost got into the state of mind where he believes that is the case. For instance, if we took the excise duty off sugar permanently, I would not admit that we were subsidizing the sugar users of Canada. I would say we were just taking a tax off. While I think the request for the information is legitimate—how much more would our

revenue be if we had higher taxes; that is what it amounts to—I would almost be tempted to say plainly, as is the fact, that we have taken some duties off and some taxes off and thereby kept down prices to the consumer. And why not?

Mr. HACKETT: That may be the point of view of the minister, and undoubtedly it is if he says it is. This dominion will be eighty years of age if it holds together until July 1 next, and for fully three-quarters of that time the chief sources of revenue, the chief sources of money to pay the expenses of running the country were two: they were the import duties and the excise taxes. There was a blessed day when there were no income taxes, believe it or not, and when we relied almost entirely upon duties collected at the customs ports and upon taxes collected by excise officers. It is submitted that any remission of these duties and taxes means that they must be made up in other ways or by other taxes, and that where they have been remitted as a part of the system of control they constitute part of the cost of control. If the dollar a hundredweight, which was collected in excise on the refining of sugar, is not there to pay for some expenditure of the dominion, the Minister of Finance must find that dollar somewhere else. It merely means that the control has cost us that dollar, and in my point of view it is part of the cost of control just as much as a direct subsidy.

I should also like to ask the minister if any figures are available as to the cost, not only of administration of the wartime prices and trade board and the Commodity Prices Stabilization Corporation, but of the cost of enforcement by the police, by the special agents, the cost of prosecutions in the courts and the whole range of supervisory and incidental expenses which are necessary for the enforcement of these controls.

Mr. ILSLEY: I think they are all included in the cost of administration, but I will verify that fact.

Mr. HACKETT: Does the cost of administration include the cost of prosecutions?

Mr. ILSLEY: I think so, but I will verify that fact. I think all the costs are included.

Mr. HACKETT: Where would that be reflected? Would it be in the Department of Justice?

Mr. ILSLEY: No; the wartime prices and trade board; the cost of administration is here. It is not small, by any means. I think it includes the cost of enforcement. There is a report here somewhere. It is in that appendix which I read, administrative expenses and miscellaneous items.

Mr. HACKETT: I do not think that includes the cost of prosecutions.

Mr. ILSLEY: No; I am sorry, it does not. I will get the cost of administration. I will see whether it does not include the cost of enforcement. I think it does.

Mr. HACKETT: I would ask you, Mr. Chairman, to declare it six o'clock.

The CHAIRMAN: Shall the resolution carry?

Mr. HACKETT: No.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

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

Mr. GREEN: The minister is not here yet.

Mr. HACKETT: Possibly I might direct my questions to the Minister of Veterans Affairs. I find him always most responsive to any questions directed to him. At the six o'clock recess the Minister of Justice had said that he thought I was possibly confused in asking for the cost of these controls, because he considered that prices were one thing and taxes were another. In my submission, the cost of living includes the cost of the commodities a person has to purchase to maintain himself; and it does not make much difference whether the initial cost is high or whether that cost is low, later to be supplemented by a subsidy paid out of taxes, the result is the same. If the ordinary laws of supply and demand were permitted to operate, the vendor of the goods would get his price at once. Now, if the purchaser gets the goods at a low price and the government supplements it by a subsidy, then it seems to me that taxes are a part of the price of these goods though it may be filtered through two or three hands on its way to the vendor.

On that basis I wish to ask the minister if all the housing being provided at present contains any contribution from the government, or whether it is all self-liquidating. I should like to know if these different projects for housing to which the government is advancing money, either to the private individuals, to the builder who is going to rent, or to a corporation organized by the government for the purpose of supplying this housing, are self-liquidating, or if in these various housing projects there is a disbursement that will not come back to the government.

Mr. ILSLEY: The housing plans of the government are remarkably free from government subsidy as compared with the housing plans of other countries, as members of this house know. For years the most extraordinary pressure has been brought to bear on the government to go into a system of state subsidies to housing. It is fair to say that these housing schemes are not wholly devoid of possible subsidy, nor have they ever been. Under the National Housing Act there was a guarantee by the government within limits against losses on loans, though I do not think the government was ever called upon to make good any of those guarantees. The housing enterprise scheme is, I think, devoid of subsidy. The interest rate may be low; I am not just sure about that, but I do not think there is any subsidy there. The wartime housing plans through the war may have had some subsidy to some extent, partly by municipalities and partly by the federal government. It is not possible to make a generalization, a comprehensive reply, without examining the present housing act and without examining in detail the schemes or plans under that act. But the proposition I stated at the outset is true, that the housing plans in Canada are remarkably free of subsidies as compared with those of other countries.

Mr. McIVOR: Mr. Chairman, I rise because I am rather confused. My parliamentary experience is limited to about eleven years. Yet I have never known a resolution to be debated as long as this one has been.

Mr. GREEN: Rubbish.

Mr. McIVOR: When Mr. Speaker was in the chair it was debated loud and long by hon. members. When Mr. Speaker left the chair we have had it again. My question now to the minister is: How long? I have some questions I should like to ask, but I shall not ask them at this stage. The resolution has been debated long enough. I do not want to be like the lady, and have the last word, but I do want to say that.

Mr. LOCKHART: Notwithstanding what the hon. member has just said, may I inquire of the minister if in his last remarks he referred to the municipalities having been brought in. Their contribution was, I think, mostly by way of lands and services.

Mr. ILSLEY: That is right.

Mr. LOCKHART: Almost entirely.

Mr. ILSLEY: Yes.

Mr. LOCKHART: Then there was quite a cash outlay, I would imagine, so far as the government was concerned, because I know of instances where there was a considerable outlay in actual money. I mention that in connection with what the hon. member for Stanstead has said to the effect that if the matter were carefully scrutinized we would probably find there is a large amount involved.

Mr. ILSLEY: It is not large, at all. With most of the wartime housing, the question as to whether the government make a substantial contribution or not depends upon how much they get for the houses when they sell them.

Mr. LOCKHART: For instance, in connection with staff houses, and that kind of thing, there would not be much reclaimed.

Mr. MacINNIS: Those were wartime.

Mr. ILSLEY: I am talking about wartime houses. Undoubtedly there would be losses in some sales, and there may be some contracts to sell to municipalities, under which contracts the government would take a loss. The municipality would forgo certain taxes in some instances, or collect less in taxes than they collected on other properties. There was some contribution by various governmental bodies at different levels to the wartime housing scheme. But you do not have a comprehensive system to subsidize rental housing, which we have been so urgently pressed to adopt. And my hon. friend has not a very strong point in that regard. If he is seeking to develop the argument—and I assume he is—that subsidies are coming in here and there, and that those should all be brought out in the open in order to make a complete picture, then he has not a very strong point on the housing end of it.

Mr. BENTLEY: What I have to ask the minister has a direct bearing on the matter before the committee. This afternoon, in reply to the hon. member for Lake Centre, or Stanstead, I have forgotten which, the minister quoted from the Ottawa *Journal*, indicating that, at times, he does place some credence in newspaper reports.

On the front page of tonight's *Journal* there is a brief item, two paragraphs of which are as follows:

> A timetable for full decontrol of the Canadian economy is expected to be announced shortly by the prices board.
>
> The coming decontrol order will contain future dates for the lifting of price ceilings from the greatest part of consumer commodities still subject to restriction.

If the report is correct, are we to understand that the government, or the wartime prices and trade board, proposes to announce to vendors of consumer goods the date ahead when prices will be lifted, and allow them to

hoard between now and then those goods which are in short supply, and then take advantage of increased prices?

I gave an example of what is taking place at the present time when I referred to Kleenex, in speaking the other day in another debate. If one wants some things, he finds it almost impossible to get them, while other things that one does not require he can get in abundance.

One can go to Woolworth's or Kresge's, or any of those stores, and buy the flat connections for flatirons or toasters, by the bushel. No one wants them. Everyone has them. However they probably have a large quantity on hand, and want to sell them. But if one wants an ordinary little plug to plug into a wall socket for a lamp, he cannot buy it. Both of these articles are made of exactly the same material, and both must be made all the time. The ones one cannot get now must have been made during the war for the various military offices and for industrial establishments. They must be in existence. Why are they being held up?

If these things are in short supply, or anything from which they are made—I believe there is some metal in them—as is indicated in the newspaper article, does the government propose to tell manufacturers and sellers when they can expect a rise in price, and then take the public for another little ride, such as we have had in the last two years?

Mr. ILSLEY: I have no knowledge of the newspaper report from which the hon. member read, or as to the truth of it.

Mr. BENTLEY: It is in tonight's paper. I do not know whether it is true, either.

Mr. ILSLEY: There is a slight presumption there might be something in it—but only slight.

Mr. HACKETT: Do not ask what newspaper it was.

Mr. ILSLEY: I do not know whether there is anything in it or not. All I can do is to bring the hon. member's warning or representations to the attention of the Minister of Finance.

Mr. BENTLEY: I am sure the minister must know whether the wartime prices and trade board proposes to commit this action, or not.

Mr. ILSLEY: Well, I do not.

Mr. BENTLEY: You do not know that? That is the answer, that you really do not know?

Mr. ILSLEY: I do not know.

Mr. BENTLEY: But you agree there might be slight truth in it?

Mr. ILSLEY: Well, perhaps I was a little facetious. The only point I was making about the report was that newspaper reports may or may not be correct. I just do not know. I admitted there was a slight presumption that, if there was something in the newspaper, perhaps there was something in it. But it is so slight that it cannot be taken for a fact.

Mr. BENTLEY: Then I should like to express the hope that the government will not permit action of that kind in connection with goods in short supply.

Mr. HACKETT: I do not wish to ask the minister anything concerning the opinion he read to the house the other day, and his comments on the Canada Temperance Act case. I understand he has told the house that in so far as this legislation is concerned, it rests on what it has pleased the government to describe as an emergency.

Mr. ILSLEY: Yes.

Mr. HACKETT: And I am not going beyond that for the present. I am now anxious to know just what constitutes the emergency. I believe our purchases from the United States exceed substantially in dollars the amount of our sales to that country, and that settlement is becoming more and more difficult for us because we have not the dollars necessary to make settlement. Through many years we used to sell goods to the United States; but never—and I am not speaking of the war years—in normal years did we sell goods in value anywhere equalling the value of goods we bought from that country. We made settlement with the proceeds of the sale of our commodities to other countries, principally to Britain. At the present time our sales to Britain are not yielding us a return which enables us to meet our obligations in the United States. I am quite aware that the Minister of Justice has escaped from the burdens of the high office which he held for many years, but I know he is familiar with the financial and fiscal situation of the country. I should like him to tell the committee if this shortage of dollars to meet our United States obligations constitutes any part of the emergency with which the government says we are confronted at the present time.

Mr. ILSLEY: Whether the shortage of dollars constitutes any part of the emergency relied upon?

Mr. HACKETT: Yes.

Mr. ILSLEY: I should not like to say anything more about the emergency than what I said in my speech. I set out the nature of the emergency there and I think that is as complete as I can make it.

Mr. HACKETT: I do not wish to contradict the minister; I did not understand that he attempted to enunciate in his speech all the causes of emergency upon which he was relying. He referred to the disparity between the rise in the cost of living in the United States and in Canada since the war. I do not wish to press that point unduly, but I think any fair person is bound to admit that that example is totally without value. We were told that the rise in the cost of living in the United States had been eighteen per cent and in Canada but six per cent. Nothing was put before the committee to show what were the taxes paid by a man in the United States, earning $2,000, $3,000 or $4,000 a year with one, two, three or more children, nor was that set opposite the taxes paid by a man in Canada who was similarly situated. The minister told us quite candidly that he had not taken into consideration any subsidies, bonuses or tax and duty remissions, so I submit that in so far as that example went it was totally without value.

The minister went on to talk about housing and the disorders he anticipated were the restrictions on tenancy removed. He did not dwell extensively upon the person who might find himself accommodated by the lifting of these controls. Nobody wishes to dispossess anyone in order to leave a house vacant; decontrol would have the effect of putting someone else into the house and frequently it would be the owner who by some accident, absence at war or some other cause of that kind, is denied access to his own home and prevented from the enjoyment of that which is his own.

The minister gave some other instances in connection with prices. I do not think we can rely upon that information until we know to what extent the taxpayer in Canada pays for what he buys over and above the purchase price in the form of taxes which are given to the vendor to make up for what he loses through the control. A number of the instances which the minister gave vanished before the inquiry which has gone on while this resolution has been under consideration.

I do not think the minister was attempting to give a full list of all the causes of the emergency. Many people who are familiar with national affairs and who are deeply interested in the prosperity of the country feel that the unbalance in our trade which has resulted in a shortage of dollars to pay the obligations becoming due in the United States is a cause for grave alarm. Some consider that it is one of the most alarming questions which confront the government and the nation today. I should like the minister to say if, in his opinion, the fact that there is a shortage of dollars to pay debts that are accruing in the United States is a matter of grave concern to the government and if, in consequence, it constitutes a part of what it has pleased the government to call the emergency which is being dealt with in this legislation.

Mr. ILSLEY: It did not occur to me that that was part of the emergency which is the basis for this legislation. This afternoon the hon. member for Broadview pointed out the dangers of a Minister of Justice outlining too fully the exact legal grounds upon which the government relies. For instance, if we were taken into the courts on this we would define, I presume with considerable clearness, exactly the nature of the emergency being relied upon, but I do not think the House of Commons is the place to do that. I consider that the speech I made on March 20 was sufficient to indicate the emergency which would serve as a basis for this legislation and the economic controls. My considerations are set out on pages 1584 and 1585 of *Hansard*.

Mr. GREEN: Yesterday the minister promised to give us a list of the outstanding orders covering the equitable distribution of goods. Has he that list this evening?

Mr. ILSLEY: No, I have not.

Mr. GREEN: When could we get it?

Mr. ILSLEY: I communicated with the wartime prices and trade board and asked them to read yesterday's *Hansard* and get as much information as was available at the earliest possible day. I have not got that yet.

Mr. GREEN: There was some other information which the minister promised this afternoon he would get on Monday. Will there be any possibility of getting that information before the bill comes up for second reading?

Mr. ILSLEY: I cannot tell. Hon. gentlemen are asking for a vast amount of information. I thought I would make as complete a statement as I could on Monday on the question raised by the hon. member for Stanstead. I should not think there would be much trouble in getting the orders tomorrow respecting equitable distribution.

Mr. GREEN: The bill will not be up for second reading before Monday in any event?

Mr. ILSLEY: It could come up for second reading tomorrow if we got the first reading tonight, but we would not bring it up tomorrow.

Mr. GREEN: There are five of these orders in council which deal with people of the Japanese race, and I would ask the Minister of Justice, the Minister of Veterans Affairs and the Minister of Labour for some explanation about these orders. One of them is listed as under the Department of Fisheries; there are two under the Department of Labour and two under the Department of the Secretary of State. The one under the Department of Fisheries is an order in council prohibiting persons of Japanese racial origin from fishing on the Pacific coast. I should like to know whether this order is included in this bill because that restriction is to continue only until this bill expires, or whether the government has not yet decided what its permanent policy will be with regard to allowing Japanese to fish on the Pacific coast.

Mr. MITCHELL: Would my hon. friend make his question more specific? What does he want to know?

Mr. GREEN: I want to know with regard to this order in council, in fact with regard to all five of them, whether they are included in this bill because they are to continue in existence only for a period of one year, or whether it is because the government has not yet decided what its permanent policy is to be with regard to the matters covered by these orders.

First of all, as regards the order in council preventing Japanese from fishing on the Pacific coast, I would point out to the committee that for many years it has been the policy of the Canadian government that all the fishing on that coast shall be done by white British subjects and Canadian Indians. I have in my hand the annual report of the Department of Fisheries for the year 1925-26—that is twenty-two years ago—and at page 53 I find this statement under the heading "Reduction in Orientals":

> The department's policy of eliminating the oriental from the fisheries of the province—

That is the province of British Columbia.

> —with a view to placing the entire industry in the hands of white British subjects and Canadian Indians appears to be working out well as is shown by statement No. 10.

Further on, under the same heading I find this statement:

> It is the intention to continue this percentage—

Referring to the percentage of reduction of oriental licences each year.

> —each year until these industries are entirely in the hands of whites or Canadian Indians.

Those are the fishing industries on the Pacific coast. They have been in the hands of whites and Canadian Indians since the evacuation of the Japanese from the Pacific coast during the war. I want to know with regard to this order in council whether the government intends to continue that policy which has been in force for many years, or whether the policy is to be allowed to lapse with the lapsing of this omnibus bill, and then the Japanese will again be permitted to fish on the Pacific coast.

I have much the same question to ask with regard to the second order in council, which is under the Department of Labour, P.C. 946, and deals with the evacuation and relocation of persons of the Japanese race in Canada; and a similar question with regard to the next order in council, P.C. 7355, which deals with financial assistance to voluntary repatriates to Japan and for liquidation and transfer of their assets to Japan.

Then I should like to hear from the Secretary of State with regard to the other two orders relating to the Japanese. One is P.C. 1665, and is described as "Administration by the custodian of property of persons of the Japanese race"; the other is P.C. 469, "Transfer to the custodian of the property of Japanese evacuees". It seems to me that the two last orders in council are in a different category from the first three. The last two deal with the property of the Japanese in the hands of the custodian.

Mr. MACKENZIE: What were the first three orders?

Mr. GREEN: The number of the fisheries order is 251, relocation 946, financial assistance to repatriates 7355. I would ask the Secretary of State why the provisions of the last two orders in council were not included in Bill No. 22, which is "an act to continue the revised regulations respecting trading with the enemy". There may be some good reason for not including the orders in council in that bill, but I should like to know what the reason is.

Mr. MACKENZIE: What was that one?

Mr. GREEN: It is P.C. 469. I should like to know why these two orders were not included in Bill No. 22 and put in statutory form, because it will take some time to work out and complete the closing of the transactions with the property. I would like answers from the ministry on these questions.

Mr. MITCHELL: I can answer in a few simple words. The policy with respect to the relocation of the Japanese is to be continued during the life of the bill which the hon. member referred to as the omnibus bill. During that period no Japanese will be permitted to return to the protected, security areas.

Mr. GREEN: Did the minister say that no Japanese or that some Japanese will be permitted to return there?

Mr. MITCHELL: I said that no Japanese would be allowed to return there. I think the policy that we have been pursuing in the relocation of the Japanese across the dominion is in their own best interests. With respect to the return to Japan of anyone who desires to go there, that policy will be continued. Already about 4,000 have returned to Japan. I think that answers my hon. friend.

Mr. GREEN: No. The question I asked was whether the policy as represented by these orders in council was to continue in effect only for the life of the omnibus bill, which will be for a period of one year with the possibility of an extension for a further year; is it the final policy of the government that this restriction will apply only for the life of the bill?

Mr. MACKENZIE: May I say at once that that certainly would be a matter for further consideration.

In reference to the question raised by the hon. member with regard to fisheries and not referred to by the Minister of Labour, may I say I can speak with exactitude in regard to the nature of the order in council. Steps have been taken to prohibit absolutely and completely fisheries along the Pacific coast, at least for a certain period. My hon. friend's problem and mine is not during the period of this legislation; it is the establishment of a certain amount of security for our people over a period of five or ten years, and the protections that this house has seen fit to take and keep for the security of our own people along the security zone of British Columbia. I think that is the worry of my hon. friend. He may feel that this may lapse possibly with the effluxion of time. When these things lapse—I am speaking only for myself as an individual—

Mr. KNOWLES: The minister had better.

Mr. MACKENZIE: Perhaps even then I can speak with greater authority than the hon. member for Winnipeg North Centre, because I think the chances are if I want to be here that I have a far better opportunity of being on this side of the house than the hon. member who has interrupted me so unnecessarily. May I say that, even though the hon. member for Vancouver South and I disagree on many problems, we disagree with my hon. friend on this problem. This is the problem of British Columbia, and we are as one in our viewpoint with regard to future legislation. There are two great issues—

Mr. REID: There is nothing wrong with that.

Mr. MACKENZIE: The pioneer behind me says that there is nothing wrong with that, because when no other voice was heard in the Commons with regard to what we look upon as a vital problem in British Columbia, the voice of the hon. member for New Westminster, now joined by the hon. member for Fraser Valley, the hon. member for Comox-Alberni, the hon. member for Vancouver North, the hon. member for Kamloops, the hon. member for Nanaimo and the hon. member for Vancouver-Burrard, was heard. We are all as one; we are no longer a lone band of fighting forces for the cause of British Columbia. In regard to this issue in this house we are a united body. We have to face certain difficulties—and my hon. friend knows that—in regard to our obligations and to the united nations charter, especially under sections 55 and 56. I believe these things can all be worked out satisfactorily. But there is one thing; if I know my province which I have represented now for nearly thirty years, and which my hon. friend has represented for a long time; if I know my province, which had only one lone voice in these halls for many years in regard to this oriental problem, the members from British Columbia, regardless of their political affiliations will stand as one in regard to the maintenance of these principles they have had in regard to the security of our people. It is a question of security in British Columbia. On the establishment of that security we stand together. We want to tell our good friends from the other provinces that we shall stand together upon this issue, come what may.

Mr. GREEN: The Secretary of State has not answered my question.

Mr. GIBSON (Hamilton West): In regard to the Japanese nationals who were moved from British Columbia, their assets were taken over by the custodian of enemy property under the provisions of the orders in council which are published in the schedule to the bill which will be introduced. I shall be prepared to discuss the orders in council when the bill comes up for second reading. But I may say it is not considered that these orders in council

will be required beyond the period of the one year, in view of the fact that the custodian expects to have these assets distributed or returned to the Japanese before the year has expired.

Mr. KNOWLES: May I ask the Minister of Justice a question on this same subject? Will he give me the assurance—let these British Columbia gentlemen express their views if they see fit—that these orders in council are being continued so far as this legislation is concerned only for the period of this bill?

Mr. MACKENZIE: Who can tell?

Mr. ILSLEY: What is the meaning—

Mr. KNOWLES: I am not trying to put the minister on the spot.

Mr. ILSLEY: What is the meaning of the expression, "so far as this legislation is concerned"?

Mr. KNOWLES: The answer is so obvious the question is hardly necessary.

Mr. MACKENZIE: Why ask it, then?

Mr. CRUICKSHANK: To waste time.

Mr. FRASER: The hon. member wants to pit one minister against the other.

Mr. KNOWLES: Taking all these other factors into consideration, I am interested in Canada getting back to a basis where we do not make distinctions on the basis of race.

Mr. MACKENZIE: I am anxious for that.

Mr. KNOWLES: Oh? I have some pretty strong views on this matter, but I am sure my views are shared by the majority of the Liberal members of the house. I should like to be sure that in passing this particular bill we are extending these orders in council with respect to persons of the Japanese race, and that includes Canadians of Japanese origin, for one year only.

Mr. CRUICKSHANK: Can the hon. member not read?

Mr. ILSLEY: I want to be courteous, but the remark the hon. member for Fraser Valley has made is the answer, I think.

Mr. KNOWLES: That it is obvious. That is fine. I want that to be said to the hon. member for Vancouver South.

Mr. CRUICKSHANK: He is quite capable of looking after himself.

Mr. KNOWLES: He wants it extended beyond the year.

Mr. GREEN: No; the hon. member must not put words in my mouth. I was simply—

The ACTING CHAIRMAN (Mr. Golding): Order.

Mr. GREEN: Surely I am to be allowed to speak when an hon. member raises a point against me like that. All I wanted from the ministry was the information as to whether or not this order in council expressed their permanent policy or whether there was some further policy to come afterwards. The Minister of Veterans Affairs has answered that question and I do not know why the hon. member for Winnipeg North Centre should try to muddy the waters.

Mr. KNOWLES: I do not think the hon. member for Vancouver Centre expresses the view of the government.

Mr. MACKENZIE: If he did not he would not be in this seat for two seconds. At least he has a conscience, which some day my hon. friend may discover.

Mr. KNOWLES: Then the hon. member is expressing the views of the government?

Mr. MACKENZIE: His views on the question so far have been the views of the government. If it should come about that the views on these things change the member for Vancouver Centre will no longer be a member of this government.

Mr. KNOWLES: I am glad to have that on the record.

Mr. CRUICKSHANK: The hon. member will never be on this side; do not worry.

Mr. FLEMING: I should like to direct a question to the Minister of Justice with regard to the observation he made this afternoon in connection with those particular orders in the volume which will be the subject of bills introduced later in the session. As to the bill dealing with labour relations, the Minister of Justice indicated that it would be a bill to replace order in council 1003. I wonder whether the bill will include those orders on the same subject appearing on page 6 in the volume which follows the one the minister has referred to, particularly the half dozen orders in council which deal with administration of P.C. 1003 in various provinces.

Mr. MITCHELL: I can answer that. On the 31st day of the month it will be possible to say that only the main order will be necessary. These four or five orders my hon. friend speaks of arise out of arrangements made by different provinces to suit their approach to labour relations. When this bill goes through we shall be able to eliminate these orders. Ontario takes over jurisdiction on March 31, a few days hence. On May 15

all the other provinces take back their original jurisdiction.

Mr. FLEMING: These particular orders to which I have referred will be allowed to lapse at that time?

Mr. MITCHELL: Yes.

Mr. ILSLEY: That is right.

Mr. FLEMING: So far as I am concerned, this is my closing observation and I address it to the Minister of Justice in terms of an appeal for a reasonable procedure which will save the time of the house in the long run. I for one had looked forward to the sittings of this committee in the hope of deriving from the ministers a great deal of information which would be of considerable assistance to myself and, I believe, to other hon. members on the later stages of the bill. In view of the ruling that was made, information of a detailed nature has not been forthcoming and discussion has been confined to more general questions.

We have had it made clear during the course of this discussion, quite apart from the opening statement of the Minister of Justice, that the orders were of three kinds: regulative, administrative and legislative. A further break-down is possible. We have had a statement from the minister that there are certain of these orders which are themselves to be the subject matter of bills to be introduced at this session: the old age pensions orders, P.C. 1003 dealing with labour relations, and those dealing with veterans preference in the civil service. I am urging on the Minister of Justice that the course which ought to be taken even at this hour is a course which will lead the government to bring in separate measures. I urge him now, once this resolution is reported, to bring in the bills which they have indicated they intend to bring down at this session on these particular matters, so that at least these matters may be dealt with apart from the omnibus bill and be considered on their own merits.

The difficulty we have been up against—and it was, I think, quite apparent from the time the ruling was made in the committee confining discussion—is that there is bound to be a great deal of confusion and it is confusion which will take up the time of the house. That confusion will not be lessened by simply being told by the government, "Oh, well, you will have an opportunity of getting the information in detail in committee after second reading." It is all very well to assume that the house is just going to slur over the matter of second reading in order to get into committee again. I ask the minister in all fairness and reasonableness to ask himself how members of the opposition, who are here to do their duty as members of this house, are to be able to discern the principle of a bill of this kind, which proposes to extend the life of fifty-seven orders in council—because they have not yet been reduced in number—of three distinct kinds, and containing some orders which are to be the subject matter of bills to be introduced later this session. As the hon. member for Quebec South put it, some of the fifty-seven orders are good and some of them are not good. How can a hodge-podge like that fail to create confusion in the house and prolong debate? I urge on the Minister of Justice even at this late hour that the course of expediency is not that indicated in the resolution, namely, that one bill be introduced for this general purpose, but rather that the government ought to break this measure down into a number of bills so that there can be an orderly approach to them, both on second reading and in committee of the whole, on the part of members of the house.

Some hon. MEMBERS: Carried.

Mr. HACKETT: Oh, wait a minute.

Mr. FLEMING: I can assure hon. members in the corner yonder that they are not contributing anything to speeding up proceedings or to clarifying the confusion which has been created as a result of the course which the government has followed to date on this bill. I am appealing to the Minister of Justice on the basis of reason, on the basis of what his own leader had to say in 1931; because, with all respect to the observations made this afternoon by the Minister of Justice, I think the distinction which he sought to draw between the resolution before the house today and the one which was before the house when the present Prime Minister spoke in 1931, as reported at page 1274 of *Hansard* of that year, was a superficial distinction. The essence of the objections to the resolution which is now before the committee is the same as that of the criticism in 1931 by the right hon. gentleman who is his leader and other members opposite at that time. The whole point raised by the present Prime Minister, when leader of the opposition on that occasion, was that the course followed was one which was bound to create confusion, that the house would not be able to deal with these matters as it should be able to deal with them, separately, inasmuch as they were matters which were widely divergent in their nature. What would the Prime-

Minister of today have said in 1931 if he had been faced with this galaxy of orders in council of all possible hues and varieties? The minister himself has indicated three varieties into which the fifty-seven are broken down; and there are other sub-varieties into which they in turn have been broken down. That is my appeal, and I make it on the basis not only that it is in keeping with the stand taken by hon. members opposite in 1931 and 1932 but that it is the course which will contribute to the most orderly procedure and will save the time of the house in the long run.

Mr. TUSTIN: I have a problem which I should like to put before the minister so that he may give it consideration before the bill is introduced. I have had a good many complaints about the eviction order under the wartime prices and trade board, not with regard to housing but with regard to commercial properties. These complaints have been particularly from men who have served five and six years overseas. In some instances these men were in business before they enlisted in the armed service. They closed up their places of business. They spent five or six years fighting for this country. They came home, and when they endeavoured to get a place in which to do business and rehabilitate themselves, they were unable to do so. In several instances, these men bought properties, but up to date they have been unable to get possession of them.

I should like to cite one particular case, that of a young man who was in business up until 1940. In that year he closed his business and enlisted in the navy, serving five years, four and a half of which were on the high seas. He came back home in the fall of 1945 and endeavoured, as I say, to rehabilitate himself. He was not able to get a suitable place. He purchased a store on the main street of the town. That store had been rented from month to month by a man who had an opportunity during the war to cash in on a first-class business. This young man, in order to get started, finally was able to lease the back part of a small warehouse at one end of the town, for which accommodation he had to pay twice the rent he is getting for his own store, which is situated in one of the best business sections of the town.

I am bringing this forward at this time, for the simple reason that I hope the minister will give it consideration and will see to it that one particular order is eliminated from the bill—which in my opinion would not cause any hardship on any person—and that at least veterans who have served this country for a number of years may be able to secure possession of their own commercial properties and get themselves back into business again. I trust that the minister will give this matter his earnest consideration, and that he will take it up with the Minister of Finance who, I am sure, will consider it with him.

Mr. C. C. I. MERRITT (Vancouver-Burrard): I think there is one field which has not been covered by the Minister of Justice in any statement he has made so far and which ought to be covered by some member of the government, since it has an important bearing on this whole question. I am very glad to see the Minister of Reconstruction and Supply in the chamber because this is a subject with which he is particularly fitted to deal.

I wish to talk for a moment about the subject of production. We have had a great deal of talk about controls, their effect in maintaining present prices and in preventing inflation, and all the other very worthy objects, and of course we are all in favour of preventing inflation. But the question of production has been giving many of us on this side of the house a great deal of concern, and before we come to consider this legislation it might be fitting for the Minister of Reconstruction and Supply to make a comprehensive statement as to the difficulties he must have found in getting production of building materials under way in view of the policies of the wartime prices and trade board. For instance, I have the statement of the Prime Minister on January 31, 1946, with which I wholly agree, when he said:

> The one satisfactory answer to the danger of inflation is more and more production.

Many of us in the house would be much more content to grant continuation of the controls for which the government is asking if we could believe that such continuation, at least under present policies, would lead to increased production and, what is more important, if we could believe that it would not lead to a decrease in production. I have here the report of the wartime prices and trade board up to February 1, 1947. I wish to refer to a few statements made in this report, because they bear closely on the question of how controls affect production.

First, I want to point out to the committee, as I have pointed out before on the question of housing, that last year the Minister of Reconstruction and Supply, who had just started and, I think, most energetically, to stimulate building production, stated in this house what he had to do in order to get

increased production of various lines of goods. In every case he had to go against the price control policy of the government. He will remember that he had to get more bricks, and that necessitated a price increase of bricks. He will remember that, in order to bring about an increase in the capacity of plants producing plumbing fixtures and materials, he had to give those plants an incentive subsidy. He will remember that in some cases he had to guarantee a market for excess production in order to induce some manufacturers to increase their productive capacity at prevailing price levels. I could go on and on. Of course he has given double depreciation and tax relief, all in order to carry out the same good purpose. That is what concerns me tonight, and I wish to refer to some of the statements in this report of the wartime prices and trade board which bear out what I say. First, I want to refer to page 39, where the production of lumber is being dealt with. I find this paragraph:

In the course of 1946, there were a number of price adjustments applying to lumber and lumber products. They were necessitated by increased costs of production, inadequate output of certain lines, and by difficulties in distribution and grading.

There we have a direct statement of inadequate production. Again reference is made to the increase of twenty per cent made in October, 1946, in the price of red cedar shingles. I remember, as I know the minister will remember, the circumstances under which that increase was granted, after a regular outburst by the people producing those shingles which simply could not be denied. Again on page 40 I find this:

In November, 1946, ceiling prices of doors, screen doors and windows, and door and window frames were increased twenty per cent and a twenty-five per cent increase was authorized in the price of sash . . . In the previous April the timber control had made arrangements for the production of a substantial quantity of these doors which had been off the market for some time because of the low basic period prices established for them.

At this juncture I wish to point out that in every case the price advance which brought these goods back into production followed the building up of such a pressure that the wartime prices and trade board could no longer withstand it. That must inevitably be so, and I am not criticizing the officials of the wartime prices and trade board for it. I wonder for how long before the minister got on the job this holding down of production of the things which he stimulated had been going on, and how much production had been lost. If we are to continue these controls is there a policy which will see to it that any ill effect of the controls in regard to production is met before it becomes so acute and so obvious that action must be taken? If I turn to the paragraph on other construction products, on pages 40 and 41, I find exactly the same sort of statement made by the person who prepared the report. For instance, I see this paragraph:

The maximum prices of builders' hardware were also raised during the year. Some companies had discontinued the production of loss lines, while those manufacturers who had maintained production were in a position to demonstrate financial need.

Then comes this significant paragraph:

Towards the end of 1946 an additional criterion was admitted in pricing supplies which were urgently needed for the housing programme. When the Minister of Reconstruction and Supply advises that a particular building product is in critically short supply, the board is prepared to consider authorizing an increase in prices to induce additional production, even though the increases may not be warranted on the basis of over-all financial need.

In reading those words, it will be seen that the Minister of Reconstruction and Supply, who, as we all know, is an energetic man, in order to carry out the task laid upon his shoulders of stimulating the production of building material had to get in there and get production going. When he found himself blocked by the then rigid policy of the board he had to bring about a change in that policy, and it is a change that hon. members on this side of the house in this party, suggested long before the minister actually brought it into effect. It would give me much more assurance that these controls eventually would come off, and much more assurance that, while they are on, they would be doing us some good, if I could feel that the policy which was introduced by the minister of reconstruction could be carried on generally, and not only in respect of building materials.

It seems to me that there must come a time in the decontrol programme when production becomes more important than holding prices at an artificial and unrealistic level. The choice of that time may be, as the minister has said, a matter of judgment; but there is a point before complete decontrol which is certainly a matter of judgment and when production must be considered. Perhaps I might give one other example as to what can happen, one which will be within the memory of all hon. members. They will recall a time, I believe it was at the beginning of April last year, when, for about four or five days, one could not buy a pound of butter in Ottawa. Then the four-cent increase was granted, and along came the butter. That is the tendency I am warning about.

As I have said, I would feel more sure of decontrol, and the policy of the government in connection therewith, if I could feel that the policy being followed was one of making the board the conscious instrument of the production of useful goods which, as the Prime Minister has said, is the only real cure for inflationary tendencies. I might go farther and say that if I could feel that the controls were being administered so as to be the conscious instrument of their own quick destruction, then again I think we would be better off.

I want to pass on for a moment to another matter vitally connected with this whole question of production and the maintenance of controls. It is this, that you have a much better case for the maintenance of the control of prices if, in fact, you control prices. But if you are not going to maintain the price level, and if prices rise, despite the maintenance of those controls, then it is questionable whether the maintenance of the controls is in the interests of the country, or that they are serving the purpose for which they were designed, which, as I understand at the present time, is the negative principle of maintaining price levels and not the positive principle of inducing production.

Let me give an example of what I mean. The hon. member for Swift Current has already mentioned it. This evening he read from a newspaper report a rumour to the effect that prices were going to rise very shortly. I read the same thing some time ago in a Canadian Press dispatch, and it suggested that because subsidies on many articles would be coming off on March 31, and for other reasons, there would be a considerable increase in prices in the period April-May. It even went so far as to suggest that it was planned to decontrol about half the food items which are now controlled. The report to which I have referred was as specific as that.

If that is to be so, then the case the government makes for these controls becomes less and less useful. Let us not fool ourselves. If we are to maintain the machinery, and not maintain the prices, then hon. members to my left are not getting very much out of the simple maintenance of the machinery, and neither will the people of Canada.

I have referred to a report to which the hon. member for Swift Current directed the attention of the committee. I have another one, which I believe appeared in yesterday's Ottawa *Journal*. Apparently a delegation of property owners went to see the Minister of Finance. This is a report of what was said by Mr. W. J. LeClair, president of the Property Owners' Association. They presented their brief on rent control to the Minister of Finance, and Mr. LeClair had this to say to the press:

> Mr. Abbott made no comment, but he said he was faced with a decision on the problem very shortly, and that the brief came at an opportune time.

He said he was faced with the decision on the problem of whether or not to increase rents very shortly. Yet in the house the other day, when the hon. member for Eglinton asked the Minister of Finance that very question, and other questions of a similar nature, the minister gave no indication that very shortly he would have to make a decision as to whether or not rents would be increased.

There is one other important point. What was the significance of the resignation of Mr. Donald Gordon and of other senior officials, the picture of one of whom I saw in the paper only the other day—one who had resigned after having given good service during the war emergency? Can one believe Mr. Donald Gordon would have resigned his post had he not felt his job was over? Surely his job was that of protecting against inflation. Must he not feel that his job is virtually over?

When I was in Vancouver just before coming to Ottawa I talked to a house builder who told me it was impossible for him to enter into any contract for construction at a fixed price, because he did not know what was going to happen. This particular builder who was talking to me thought there would be decontrol on March 31, and that after that date he would be able to figure out his future business in the way he had prior to the war.

My suggestion to the government is this, that there will be a time when it will be better to make a clean break than to go on and try to ease it off, meanwhile not succeeding in your intention of releasing controls gradually.

I should like to refer to another matter which has amused me very much, and which again has to do with the question of production, and whether or not the government can justify the keeping on of controls if it is not going to make them serve the purpose for which they were intended. My hon. friends to my left have taken up a week of the time of the house, when we could have been discussing more important matters—and I do not suppose they will like my saying this to them—in trying to put over what the Minister of Justice has referred to as their social policy. The very reason we in this party say that controls endanger freedom is that, no matter what the Minister of Justice may be trying to do, we know that the members of the party to our left want to maintain these controls as

an instrument of social policy, and not as an instrument of getting this country going, and of expanding its production—which, after all, is the only means of producing wealth. They want to do it to further their socialist aims.

Mr. NICHOLSON: They extended production during the war, did they not?

Mr. MERRITT: But the government might play into the hands of the party to my left, if it does not take into consideration the needs of increased production. In their anxiety to shove the government along socialist lines, they go off into rhapsodies on the evils of big business, and the fact that if you take off controls you play into the hands of big monopolies.

Mr. KNOWLES: You said it.

Mr. MERRITT: Hon. members to my left are not really an opposition at all because they are just trying to further their own doctrine. They never try to criticize the policies of the government in order to improve them. In trying to further their own policies they are, in fact, playing into the hands of big business. I want to protect them from playing into the hands of big business. I want to bring to my support some important men whose names are household words among my hon. friends to my left. I am referring to the two officials of the government whom I think they love the best, Mr. Donald Gordon and Mr. McGregor, commissioner of the Combines Investigation Act. I do not think they are helping Mr. McGregor or Mr. Gordon in their work by the way they attempt to use them to further their own socialistic aims. I should like to tell the committee what Mr. Gordon said in 1945, I believe in January, with regard to the removal of price control. This is quoted with approval by Mr. McGregor in the report of the Department of Labour for the year ending March 31, 1945. Mr. Gordon said about price controls:

> In some cases the continuance of such controls beyond the emergency would have the effect of restricting competition and production, and of strengthening the position of established businesses. I think you will agree that this would be most undesirable. To create a healthy and prosperous economy more competition and more freedom for newcomers to start up in business is needed—not less.

Then follows a sentence which I commend particularly to the Minister of Justice:

> That is one of the principal reasons why such controls have to be eliminated as soon as feasible and before the emergency is quite gone rather than after.

That was an important statement by Mr. Gordon. He gave it as his opinion that the controls should be removed before the emergency is quite gone, rather than after. Strangely enough he has said this to protect the people of this country from the monopolistic position which big corporations might be able to obtain during the period should decontrol be held off too long. I often think that if hon. members to my left paid more attention to facts, particularly to facts of production, rather than trying to change the social system and not caring what happens to the country while they are doing it, we would all be much better off.

I referred to that passage not only for the benefit of hon. members to my left, but I commend it to the government as something they should keep in mind when they are considering decontrol. What is the emergency that we are facing? How is the government to decide when we have reached a point just before the end of the emergency when they should decontrol? Above all, do not let us go on maintaining controls as a heavy weight on production while at the same time we do not succeed in keeping prices from rising continually and perhaps to not very much less heights than they would rise if there were no controls at all?

Some hon. MEMBERS: Carried.

Mr. HOMUTH: It will be carried when we are ready to carry it.

Mr. MERRITT: I understand the tone of the committee and I am not surprised that they would like me to take my seat. However, I want to say to hon. members opposite who are calling "carried" now that, had they called "carried" last Thursday, a week ago tonight, when my leader said in half a paragraph of *Hansard* that he was prepared to see the resolution go into committee right away, my speech could have been made last Friday. Since all this delay is the direct result of an attempt by hon. members to my left to make this into a tremendous political issue without regard to the rights or wrongs of it economically, I cannot apologize to anyone in the committee for taking up time now, and I do not.

Mr. KNOWLES: We certainly seem to have bothered the Tories.

Mr. MERRITT: I do not think you bothered the Tories very much. My hon. friends to my left thought they were going to, but they have been slapped down so many times during the week that they probably wish the week had never happened. Do you want me to go on?

Some hon. MEMBERS: Certainly.

Mr. MERRITT: I had just about finished everything I wanted to say.

Mr. FOURNIER (Maisonneuve-Rosemont): Your vote is enough; we do not need your opinion.

Mr. KNOWLES: He did not vote.

Mr. MERRITT: That was a significant remark from the other side, "Your vote is enough; we do not need your opinion." Hon. members have the duty to express their opinions in this house and other hon. members have the duty to listen to the opinions expressed by hon. members who are on the other side.

Mr. CRUICKSHANK: Anyone from British Columbia is good; go on.

Mr. MERRITT: I wish the committee would remain silent so that I can sit down.

The ACTING CHAIRMAN (Mr. Golding): Order. I ask hon. members to remain quiet while the hon. member is speaking. If we want to make progress on this resolution we hshall not make it by interrupting in this way.

Mr. MERRITT: The final paragraph on page 41 of the report of the wartime prices and trade board is very important. It reads:

> While price increases may follow in the case of some of the other products released from control, they will frequently not exceed the advances which would have been necessary if price control had been continued. At the same time, producers will be free to correct anomalies in their price structures which may possibly result in some improvement in the pattern of production.

That is a significant statement and it is one which should be considered carefully by members of the government. Perhaps I have got a long way from what I was saying at the beginning of my remarks. I think it would be most helpful to members of the committee, including the hon. member who does not want my opinion, to hear that of the Minister of Reconstruction and Supply on the effect of controls on construction material. I have just received from his department a pamphlet dealing with building materials and, even though he has stimulated construction considerably, in some cases he estimates that for 1947 the production of cement will be below the production in 1929. It is estimated that the production of building brick will be no less than 330,000,000 bricks below the 1929 production. It is estimated that the production of structural tile will be about 80,000 tons less than the 1929 production. It is estimated that the production of steel pipe, tubing and fittings likewise will be below the 1929 levels. It might be that if the minister's policy of giving price increases as an incentive to production were followed generally he would be able to do much better than these figures. If that policy were followed throughout the whole range of articles under control we might all benefit from the increased production, which the Prime Minister says is the only real remedy for inflation. I wonder if we might hear from the minister.

Mr. HOWE: The primary question that was asked of me was whether controls had hampered production. I can conscientiously say that since I have been associated with controls, which is from their inception, controls have never been permitted to hamper production. In fact, controls at the moment are greatly stimulating production in several important lines. In my opinion the over-all production today would not be improved by the immediate removal of controls. If the control of lumber were removed today—and lumber shows the greatest discrepancy between export and domestic prices of any commodity—I doubt if one additional tree would be cut. If the control of steel were removed, the over-all production of steel today would drop by at least twenty per cent. The reason is that under control we are able to take the surplus primary production from Sault Ste. Marie and move it to the finishing mills at Hamilton, Toronto and Montreal. We are able to bring billets from Sydney, Nova Scotia, something that is never done under ordinary conditions, and move them to Montreal and Hamilton and convert them into finished steel. Were this not possible, the over-all production of steel in this country would be at least twenty per cent less than it is at this moment.

There are certain commodities such as brick which are influenced by price. There are brickyards which are closed down and some which have been closed for years. One price will cause certain brickyards to open, and a higher price will perhaps bring into production one or two more yards. Then it becomes a question of what the public should pay for that increased production. It may be expensive. If the ordinary production at one price is three-million, is it worth a substantial price rise to bring the production to three-million-one? That is a matter of judgment.

Then we have the effect of price on diverting production from one line to another but not affecting the over-all production. Price differentials will cause a manufacturer to go into one line of production which returns a higher profit as against another line which he is equally well able to make but which shows a lower profit. Maladjustments of that kind

are, of course, corrected by price adjustments. The production situation is studied carefully by the officers of the wartime prices and trade board and by the officers of my department who are associated with production. Adjustments have been and are being constantly made as we find overproduction in one side of an industry and underproduction in another side. That is particularly true of lumber, where we may find that an undue amount of rough lumber is reaching the market as against finished lumber. The hon. member for Vancouver-Burrard has spoken of trim and finish. The reason for that increase was that we found that that particular side of the industry was falling behind in the requirements, and a price adjustment was made to stimulate that side of the industry as against the other side.

Mr. MERRITT: How long has that been going on?

Mr. HOWE: Since the beginning of price control.

Mr. MERRITT: I mean the non-production of doors?

Mr. HOWE: Doors is a case in point. The planing mills may find that another type of production is more profitable than doors and they may swing in that direction. If we find ourselves short of doors our remedy is to grant a price increase in doors and stimulate that side of the industry.

Mr. MERRITT: Was there any considerable delay between the time those circumstances arose and the time when a price increase was granted.

Mr. HOWE: Under a free market how would that be adjusted? It would be adjusted by supply and demand ordinarily, but where the demand is far in excess of supply that adjustment does not take place, and there would be further discrepancies in my opinion in a free market.

I have heard a great deal about ideologies, about the forces of freedom as against the forces of control. But it seems to me there is no principle of that kind involved in this bill. The policy of this goverment is for an orderly return to a free economy, and the bill before us is simply a measure to provide the machinery for effecting that orderly return. It seems to me that the word "freedom" is being used entirely outside its proper context. Someone, for purposes of illustration, spoke of a man falling off the deck of an ocean liner in mid-ocean. That man would have freedom of the seas, freedom to sink or swim, but still he would not be very happy. Freedom involves a certain price—how much can the community afford to pay for that freedom? In the case of lumber, if we decontrolled lumber today the cost of that to the people of British Columbia who buy in the retail market would be about $50 a thousand. It would be very fine to have a free market in lumber and no one would desire it more than myself, but that is a high price to charge the people of British Columbia for the privilege of buying in a free market in competition with the present export demand.

That is the case with many commodities. As I say, steel is today controlled, and it is being moved in an abnormal way to meet an abnormal demand, which is partly the result of Canada's inability to buy steel outside its own boundaries. That is a unique situation; it does not ordinarily apply. But that has been the situation for the past year and probably will be for another year. It is necessary for Canada to get the last ounce of production from its own facilities and to control the price, which otherwise would be a runaway price. For the first time in history, I presume, steel is selling in Canada below the price of steel in the United States. The price of steel in Hamilton, is below the price of steel in Pittsburgh.

Mr. HACKETT: That is a subsidized price, is it not?

Mr. HOWE: Yes; the movement from Algoma and Sydney is a subsidized price, but the price of production in Hamilton is not a subsidized price. Suppose we removed control from steel. Steel is the basis of all industrial costs; if the price of steel went up five dollars a ton every product that uses steel would rise in price, and one of the principal items would be a rise in the price of agricultural implements. We control steel in order to control a vast list of commodities against an abrupt change in price which would be entirely out of proportion to the cost to the government of control. That, I believe, is the desirable thing to do at this time. It is a thing we hope we shall not have to do for many months. We hope that there will be an easing of the world situation in steel; but, until that easing comes, it is very much in the best interests of the buyers of Canada to have steel control continued.

We are freeing commodities as fast as we can, and we do not always wait for them to get in easy supply. For example, cement was freed from control last summer when cement was a very tight commodity in this country. Why was that done? It was done because the production of cement is in a few hands, and

we were able to get the assurance of industry that removal of control would not result in price increases; that is, we were able to get that assurance with regard to many articles even though they may continue to be scarce. Of course, articles that come into free supply can be freed immediately so that the law of supply and demand may operate.

It has been said frequently that the removal of price control would play into the hands of monopolies and great corporations; but I can tell the committee from experience that there is less price fluctuation and less taking advantage of removal of control by monopolies and big corporations than there is by a great group of smaller producers. You get a more disorderly market where you have a great number of smaller producers selling on the market than you do on a market that is controlled by a small group of producers.

A great deal has been said about aluminum in this country. I may say the price of aluminum was twenty-one cents a pound at the beginning of the war; it was fifteen cents a pound at the end of the war, and it is now 11½ cents a pound. That is not a controlled commodity. That price is established because responsible producers believe that a lower price stimulates demand and is a wholly desirable part of their merchandising.

This government is moving to a return to a free economy as rapidly as it can. It seems to be perfect nonsense to cross-examine the government on the meaning and intent of this bill. It is a simple bill; it asks that certain regulations which have been maintained in the orders be allowed to remain for a period of not longer than another year.

Mr. GREEN: No; it can be two years.

Mr. HOWE: No; it cannot be two years.

Mr. GREEN: It can.

Mr. HOWE: It cannot be two years.

Mr. ILSLEY: Not without further parliamentary action.

Mr. GREEN: The Minister of Justice knows better than that. He told me last night or the night before that—

Mr. ILSLEY: No.

Mr. GREEN: —the bill can be kept in effect until March 31, 1949.

Mr. ILSLEY: By further parliamentary action.

Mr. GREEN: The government will still be the government.

Mr. HOWE: This bill can be kept in force until March 31, 1948.

Mr. GREEN: And then extended a year.

Mr. HOWE: It cannot be extended a year. Another bill can be brought in.

Mr. GREEN: The minister is wrong there.

Mr. HOWE: Or addresses by both houses of parliament.

Mr. GREEN: The minister is wrong. We should like to get that cleared up.

Mr. CHEVRIER: It has been cleared up.

Mr. GREEN: That is not the answer the Minister of Justice gave me the other night.

Mr. HOWE: I happened to be here. I heard the Minister of Justice give the answer last night. I give it now and I suppose we shall be giving the same answer next week. Perhaps by that time my hon. friend will believe it.

Mr. GREEN: This is not the first time the minister of reconstruction has been completely wrong.

Mr. ILSLEY: Now wait; the minister of reconstruction is not wrong. This bill expires a year from now unless extended by further parliamentary action.

Mr. GREEN: Unless extended by addresses from both houses.

Mr. ILSLEY: That is parliamentary action.

Mr. GREEN: That is in the control of the government which has a majority in the house, so that in effect the bill can be continued in force until March 31, 1949.

Mr. ILSLEY: That parliamentary action is no more within the control of the government than new legislation would be, not a particle.

Mr. MERRITT: I asked another question which was brought up first by the hon. member for Swift Current. I have referred to the statement that the Minister of Finance made about rents. It seems to me that if a lot of these subsidies are coming off on March 31 we shall inevitably be faced with a price increase in April or May, control or no control. The press, which is often accurate on this kind of thing, seems to be speculating considerably on this matter. Do not let us keep on discussing this thing on the basis that the success in keeping prices levelled off which existed during the war can go on. If, in fact, the result of the ending of the subsidies is to mean a price increase anyhow let us hear about it now and not because some president of some association or the press speculates on it.

Mr. ILSLEY: I certainly cannot nor can any minister state what time and on what

articles decontrol will take place. Our policy has been made clear; it is the policy which was reiterated by my colleague, the Minister of Reconstruction and Supply. Our policy is to make an orderly decontrol, an orderly return to a free economy. That will take longer for some commodities than for others. With rents it may take quite a while longer than with any commodities. I cannot tell about that, and we cannot announce these things in advance. We do not know when this will take place. There are many reasons why it should not be announced in advance even if we could announce it in advance. The position of this party and of this government is clear. I think the soundness of that position is pretty well demonstrated by the fact that we have been assailed first from one side which says that we should decontrol perpetually and at once and then from the other side which says we should continue controls indefinitely. That is a very good indication of the soundness and moderation of the position we are taking.

Mr. HACKETT: One party believes in perpetual controls; whereas your party and mine do not.

Mr. ILSLEY: Yes. There is very little merit in either extreme position. The position that we are taking here is the moderate position. The trouble with the C.C.F. position is that it seems to assume that controls will be possible indefinitely under our constitution. That is not so. We have to get back to a system of decontrol whether we want to or not. The trouble with the Tory position, if I may say so, is that they talk about this being a disorderly decontrol, and the control they advocate a more orderly decontrol. They are flying in the face of the experience of the United States, and they are flying in the face of probabilities. To listen to the speeches which were made this afternoon, one would have thought that marvellous results accrued from the decontrol in the United States; that prices went up slightly and that that stimulated a vast volume of production and that that volume of production brought prices down again. That is the theory of the hon. member for Vancouver-Burrard, and the theory that some of these hon. gentlemen are putting forward. But it is pure theory. It was not fact. It was not the factual development. I heard one hon. member this afternoon talk about the dip in United States prices, and one hon. member over here was good enough to hand me the last copy of "Business Week", the issue dated March 22, 1947. On one of the early pages are to be found these prices averaged for the week: "spot commodity index, Moody's; December 31, 1931, equals 100". That is the base, par if you like. These are the figures today and for recent dates: last week, 428; that is very nearly four times as high as they were on December 31, 1931.

Mr. HACKETT: Wheat was worth twenty cents a bushel then.

Mr. ILSLEY: The preceding week, 423·2; a month ago, 396·3; a year ago 271·2; the 1941 average, 198·1.

Mr. MACKENZIE: Going down.

Mr. ILSLEY: Yes.

Mr. GREEN: You are comparing it with the depth of the depression.

Some hon. MEMBERS: No.

Mr. ILSLEY: That is not the point. I am comparing with a week ago; I am comparing it with a month ago; I am comparing it with a year ago; and I am comparing it with 1941.

Mr. HARKNESS: Will the right hon. gentleman tell us—

Mr. CRUICKSHANK: You cannot understand it.

Mr. ILSLEY: This theory which is held by so many members of the Conservative party, that controls can be thrown off and then there will be a great increase in production suddenly—which is not the case at all—is pure theory again. The theory that there will be an increase in production and that that, in turn, after a slight rise, will mean a drop in prices and the avoidance of inflation is completely denied by the experience of the United States.

An hon. MEMBER: Not by the way they fell.

Mr. ILSLEY: These are facts and not theories. They are so serious that the president had to call in this group and have a conference, the report of which I read from the Ottawa *Journal* this afternoon. I would ask hon. members to consider quite seriously what is the sensible position to take when we are talking about the extension of controls. It is not the extreme position of the hon. member for Stanstead who has inveighed against controls so vehemently in speech after speech. It is not the position of the C.C.F. which talks about our headlong decontrol and playing into the hands of the big interests, and so on, with the mistaken view apparently that we can perpetually have controls when, under our constitution, we cannot do that. Those are the extreme positions, and they are not positions which will appeal to the common sense of the people of Canada. I do not

see why there should be so much delay about this resolution. I think it ought to go through and that we ought to get on with the bill.

Some hon. MEMBERS: Carried.

Mr. SKEY: Mr. Chairman—

Mr. CRUICKSHANK: Not again?

Mr. SKEY: The Minister of Justice has spoken about the common sense of the people of Canada. I want to say that in a great many cases the common sense of the housewife tells her that there is not much control of prices in this country.

Mr. ILSLEY: The hon. gentleman wants less, apparently.

Mr. SKEY: The minister has spoken of an orderly return to a free economy and orderly decontrol. I wish to quote to him what appears in the *Globe and Mail* of today's issue.

Some hon. MEMBERS: Oh, oh!

Mr. CRUICKSHANK: Give us Dick Tracy, too.

Mr. HOWE: If the *Globe and Mail* stopped publishing, the Conservative party would stop; they would have nothing to talk about.

Mr. SKEY: This is the financial page.

An hon. MEMBER: That is worse.

Mr. SKEY: As a matter of fact, I am quoting the words of a staunch supporter of the Liberal party.

An hon. MEMBER: George McCullagh?

Mr. SKEY: No. This is the president of the Robert Simpson Company, Mr. Burton. Will anybody deny that he is a supporter of the Liberal party?

Mr. HOWE: We do not know; he has not told us.

Mr. MITCHELL: I should like to ask the hon. member a question. Will he call that the workingman's advocate?

Mr. SKEY: No. But I am answering the minister's charge that we in this party want disorderly control. This is what one of their supporters says about it, in the second column of the financial page:

Decontrol serious.

Mr. ISNOR: What is the date?

Mr. SKEY: Today's date; March 27.

The CHAIRMAN: Order.

Mr. SKEY: The minister quoted from the issue of March 22. This will be a little more recent.

Mr. CRUICKSHANK: Hon. members opposite are talking themselves out tonight. They will not have anything for tomorrow.

Mr. SKEY: Under the heading I have indicated, the quotation is as follows:

No less serious in its effect on the Canadian economy is the price decontrol policy of the government. The authorities have initiated a policy of piecemeal and so-called orderly decontrol, whereby some prices are adjusted by the prices board while others are removed from the ceiling. The policy of so-called orderly decontrol is in fact one of disorder. It distorts the situation as we change from a controlled to a buyers' market. An over-all and immediate lifting of ceilings would quickly react to the benefit of customers.

Mr. NICHOLSON: What did Mr. Stevens say about that firm?

Mr. SKEY: I think they are an excellent firm, and I admire the policy of the man who has, in seventy-five years, built up the business which is a model of merchandising in Canada.

Mr. NICHOLSON: Mr. Stevens gave it a very rough ride.

Mr. SKEY: As I say, I admire that man's policy and I admire his opinion, too.

I wish to go one step farther, Mr. Chairman. In this paper there are other comments about how disorderly the decontrol is, but I will not quote them. I shall just return to the point about production which the hon. member for Vancouver-Burrard brought up. Production is the thing we need today. If controls are not hampering production—and I must say the silver tongue of the minister of reconstruction was very effective when he rose just now and said that controls had never been permitted to hamper production—what we on this side of the house want to know is, what is hampering production?

Mr. CRUICKSHANK: Too much talk.

Mr. SKEY: Mr. Chairman, I must say that the hon. member for Fraser Valley is pretty productive, too. In this same paper this session taxes are charged as being a thing that is hampering production.

Mr. HOWE: I thought it was controls.

Mr. SKEY: Heavy corporation taxes, individual income taxes and the denial of purchasing power to the small man in the small income tax group.

The CHAIRMAN: Order. I do not think a discussion of taxes—

Mr. SKEY: We are discussing controls.

The CHAIRMAN: Order.

Mr. ROSS (Souris): Who pays for the controls?

The CHAIRMAN: Will hon. members kindly allow the Chairman to make a few remarks with respect to the procedure which is to be followed in this committee? I think the discussion at this time should refer directly to the resolution, and I hope that we shall not get into a discussion of taxes.

Mr. CRUICKSHANK: May I speak on the point of order, Mr. Chairman, and I am again speaking from the apex of the Liberal party.

An hon. MEMBER: What is the point of order?

Mr. CRUICKSHANK: Just a minute and I will come to it.

Mr. ROSS (Souris): You are a long time in doing so.

Mr. CRUICKSHANK: I am going to suggest that we realize that there is a large audience here from various parts of Canada. My point is, Mr. Chairman, to give hon. gentlemen opposite every break; let them talk tonight.

Mr. SKEY: I assure you, Mr. Chairman, that I am not talking for the benefit of any large audience.

Mr. CRUICKSHANK: Have you not any delegation here at all?

Mr. SKEY: Nor am I talking for the strawberry growers, the fruit growers or anyone else. I am trying to get from this government an answer which will be for the good of Canada. I am prepared to argue that if this national emergency, which is referred to in the resolution, is not produced by controls, it is produced by taxes.

Mr. HOWE: Let us abolish both.

An hon. MEMBER: Let us abolish controls, definitely.

Mr. SKEY: The heavy taxation which has been imposed on corporations and individuals in Canada is the cause of lack of production. I have good authority for that, and with this I will sit down, having been charged by the hon. member for Fraser Valley with trying to get publicity.

Mr. ILSLEY: If I may ask a question, have we not by far the largest volume of peacetime production we have ever had in Canada?

Mr. SKEY: I can answer the minister in a moment. If we have the largest volume of production in Canadian industry it still does not seem to suit the Liberal party, because when they had their national conference their first resolution read as follows:

[The Chairman.]

That "further substantial reductions" in taxation be made as quickly as possible, to "stimulate consumption at the levels required to support high production and employment."

Mr. ARCHIBALD: Mr. Chairman, I would not have spoken, but I realize that the Tories are going to speak all night anyway, so that I might as well say a word.

Some hon. MEMBERS: Go ahead.

Mr. ARCHIBALD: You may not enjoy it over there, but at least it may have more sense to it than what has been coming from my right. I have listened to this debate with a great deal of interest, especially to the remarks of those lawyers who have said that if controls continue they will interfere with the constitution. That bogey has already been dragged up in human society since the day of the first man; yet constitutions have been changed and they will be changed in the future. They tell the story of Thomas Carlyle—

An hon. MEMBER: Going literary?

Mr. ARCHIBALD: Yes, going literary for a purpose. He was once at a banquet and observed the gentlemen attending that banquet laughing at some of the political ideas being expressed at that time. He stood it as long as he could and then said, "Gentlemen, there once was a man named Rousseau, who wrote a book called "The Social Contract." The gentlemen of that day laughed at the ideas contained in that book, but their skins went to bind the third edition." The people of this country are going to demand fair wages and a high standard of living, and if the constitution gets in the way it will be brushed aside. It is a man-made institution, and it can be changed.

An hon. MEMBER: That is revolution.

Mr. ARCHIBALD: That is revolution, my hon. friends say. I noticed that the other night the hon. member for Vancouver-Burrard did not have enough sand in his craw to rise in his place and vote, because he said it might be construed as a vote for a socialist resolution. He said it was the responsibility of a member to speak in this house. It is also the responsibility of a member to vote in this house.

Some hon. MEMBERS: Hear, hear.

Mr. CRUICKSHANK: On a point of order, Mr. Chairman, nobody is going to tell me that the hon. member for Vancouver-Burrard, of all people, has not sand about anything.

Some hon. MEMBERS: Hear, hear.

Mr. COCKERAM: Especially somebody who did not fight in the war.

Mr. ARCHIBALD: Mr. Chairman, I should like to bring to the attention of the hon. member for Fraser Valley the fact that there are various types of courage. There is physical courage and there is moral courage.

Mr. CRUICKSHANK: I want to tell you he has them both, as compared with anybody over there.

Mr. ARCHIBALD: At least we have enough sand to stand on our own feet and vote for the principles in which we believe.

The CHAIRMAN: Order. It is very necessary at this time that the discussion be confined strictly to the resolution, and that hon. members do not refer to previous votes in this house.

Mr. MERRITT: With all deference to your ruling, Mr. Chairman, I believe I should have an opportunity of referring to what the hon. member has just said.

The CHAIRMAN: I will not deprive the hon. member of that. I hope, however, the discussion will not continue.

Mr. MERRITT: I shall be very short. I shall not say anything about what the hon. gentleman said about me, but I am glad he raised the point. I am glad to have an opportunity to explain the matter to the house once more, because the other day I did not have enough time to explain fully why I did not vote during the division on the motion that the Speaker leave the chair for the house to go into committee on this resolution. That vote was forced by the members of the C.C.F. party for no purpose whatever except that they thought they could get some political advantage out of wasting the time of this house by bringing on a vote which they should have known would be resolved 100 per cent for the motion.

The CHAIRMAN: Order. I think probably both the hon. member for Skeena and the hon. member for Vancouver-Burrard have been out of order, and I would ask them to speak to the resolution. I am not going into any discussion as to why I think they are out of order, but I believe we have had enough of this discussion. Does the committee not feel that we should get back to a discussion of the resolution?

Some hon. MEMBERS: Hear, hear.

Mr. COCKERAM: On a point of order—

Mr. MERRITT: Mr Chairman, I am not content to leave this unanswered. I want my opportunity, if necessary on a question of privilege, to answer my hon. friend, and I shall be but a moment more. I simply want to say that in the first place that vote was silly and unnecessary. I would have voted for the resolution; until it came my turn to vote I had determined to support the motion that the Speaker leave the chair. Of course I would have done so, because even the most ardent opponent of all controls would want to go into committee to discuss the matter. But when I heard the catcalls and laughter from members of the house to my left, in the C.C.F. party, and across the way on the government benches; when I even heard ministers suggesting that because we voted for a simple motion to go into committee we were voting in a different way than we had been speaking, or voting for socialism, or for something other than the resolution itself—

Some hon. MEMBERS: Hear, hear.

Mr. MERRITT: I had to come down here when the division bell rang, but I determined that I did not have to stand up and be dragooned into voting on a silly division, if hon. members were going to take it that we were voting on something other than the motion that the Speaker do leave the chair.

Mr. ARCHIBALD: On a point of order—

Mr. MERRITT: I hope I have made myself clear on that point.

The CHAIRMAN: I think the hon. member for Vancouver-Burrard has explained his position. As I said before, this evening a good deal of unparliamentary language has been used. I do not believe it should be necessary for the Chairman to rise every few minutes and call hon. members to order. I believe most hon. gentlemen know when they are using unparliamentary language, and I hope they will desist. The resolution before the committee is with respect to the expediency of introducing a measure to provide for the continuation of certain orders and regulations.

Some hon. MEMBERS: Question.

Mr. MERRITT: In conclusion, may I just say to the hon. member for Skeena that I will look after my vote if he will just look after his.

Mr. ARCHIBALD: Well, Mr. Chairman, I had a friend in the old country who had a dog. He used to say, "I'll kick you if you bark, and I'll kick you if you dinna bark." It doesn't matter what you do; that is the Tory attitude.

Mr. FRASER: And you sneer all the time.

Mr. ARCHIBALD: Don't strain that pipsqueak treble tone or you'll ruin it.

Mr. COCKERAM: Why didn't you put on the uniform during the war?

Mr. ARCHIBALD: You're a liar; I had it on.

Mr. COCKERAM: Yes, in the home service, or something like that; and don't say that.

Mr. ARCHIBALD: Don't you tell me what to say.

The CHAIRMAN: Order. May I ask hon. members of the committee to assist the chairman in maintaining order, and proceed with the business of the committee. The hon. member for Skeena has the floor.

Mr. ARCHIBALD: I was doing all right. It is said the C.C.F. has advocated controls for the sake of controls. Nothing comes about, even in the economic field, because people will it. It comes about through necessity. Certain conditions will come up which will force control by this country or any other country, whether it likes it or not.

For example, I have a clipping here from one of the daily papers, which refers to planning for economy, and it states that because of the absolute misery in Europe they have been forced to plan on an international basis. We here shall have to recognize, in governing ourselves, that we must trade with this country or that country on an international basis of planned economy.

I have here an article from the Montreal *Standard* of last Sunday called "Nature Limited." It points out what is happening to our natural resources, and deals chiefly with natural resources in the United States. But in that respect it highlights what could possibly happen here within a few years, inasmuch as United States capital is moving into this country in tremendous amounts, and exploiting our natural resources. Let us read about what is happening in the United States:

> During the war the United States mined more than five billion tons of minerals. Included in this total are over 516 million tons of iron ore—far in excess of anything produced by one nation in a similar period. As a result of this enormous drain, twenty-one United States minerals have now dwindled to the point where there is less than a 35-year peace-time supply left. Among them are petroleum, copper, lead and zinc, in the production of which the United States led the world for many years.
>
> W. E. Wrather, director of the United States geologic survey, recently released the following estimates for the lifetime of reserves of these metals now remaining in the United States. Copper, 13 years (based on present proved reserves and the present rate of consumption); lead, 4 years; zinc, 10 years. When these are gone, United States industry will be forced to rely on imports and her defence potential in the event of a future war would be seriously affected.

It goes on to point out that the Americans will be coming up here hunting for lead sinkers for fishing lines. They will be souvenirs in that country. In his closing paragraph, he had this to say:

> We have been lapping the cream off the earth's resources and now the cream is almost gone. If wars and waste continue, we may some day discover that the pitcher itself is dry.

In a few years, sir, we shall be forced to recognize that we have not unlimited resources, and that we will have to conserve them. We shall have to plan the development of our resources on a national scale.

Mr. LENNARD: What is the hon. member reading from?

Mr. ARCHIBALD: I read it from the Montreal *Standard* of last week.

Mr. LENNARD: What is the date?

Mr. ARCHIBALD: It was the Sunday edition.

Mr. LENNARD: What date?

Mr. ARCHIBALD: It is the magazine section; there is no date on it.

Mr. LENNARD: That is ten years old; not this year.

Mr. COCKERAM: He is reading the funnies now.

Mr. ARCHIBALD: The government is seemingly taking great credit now for the fact that it is going in for orderly decontrol. But the fishermen on the coast do not think the government is going in for orderly decontrol. The price of halibut gear has gone up—

Mr. CRUICKSHANK: Is that the Japanese fishermen?

Mr. ARCHIBALD: Mr. Chairman, I will put my position quite clearly on this Japanese issue right now.

An hon. MEMBER: You would lose an election on it.

Mr. ARCHIBALD: Wait a minute, now.

The CHAIRMAN: Order. I feel it would be out of order to discuss the Japanese question at this time. There will be other opportunities to discuss that.

Mr. ARCHIBALD: I will abide by your ruling, Mr. Chairman. The price of halibut gear here—

An hon. MEMBER: Stick to fish.

Mr. ARCHIBALD: —has gone up seventy-one per cent.

Mr. CRUICKSHANK: Tell us about the Japs.

Mr. ARCHIBALD: And the fishermen on the coast are finding out who the real Japs are.

Mr. CRUICKSHANK: Tell us about the Japs.

Mr. ARCHIBALD: That is what I am telling you.

The CHAIRMAN: Order.

Mr. COCKERAM: He is a great supporter of the Liberal party, this fellow.

Mr. ARCHIBALD: According to the report in the Calgary *Daily Herald* of February 1, 1947:

> Prices and trade board officials commenting on higher cotton prices: In the case of cotton products, the subsidy has gone down nine cents a pound, which means an increase of from 17 to 20 cents a pound for cotton yarns and fabrics. Although this means a 60 per cent jump in the price of raw cotton to primary mills, retail prices of the finished products will be held to a 25 per cent increase.

Cotton is a basic material in halibut line, and it went up seventy-one per cent. But the price of fish has not gone up seventy-one per cent; it has gone down. And the fishermen are going to get caught in the vise. They do not want to be driven back to the poverty-stricken level they had during the depression. And that is the effect of this decontrol. It is precipitous. This seventy-one per cent is having its effect on those men. I want to bring to the attention of the government the fact that decontrol, as advocated by the government, is having a detrimental effect on the standard of living of the workers in this country.

Mr. PEARKES: Mr. Chairman, with infinite patience I have been sitting through this rather undignified performance this evening, because I wanted to ask one simple question, to see if I could get some assistance in helping the returned men of this country who are trying to establish themselves in business. I have had quite a number of cases brought to my attention, where men have set up some little business where they have got assistance, or hope to get assistance from the new act which has been passed to assist them in starting up business, only to find that they have not been able to get the required quantities of the various commodities to start business, simply because they were not in business in 1939—or possibly it was 1941.

I could give a number of instances, but I am thinking at the present time in particular of three men from the Royal Edmonton Regiment who started up a steam laundry and who, after operating for a couple of months or so, found they were unable to get their ration—if I may use that word—of soap, because they had not been in business in 1939, or 1941, in each of which years they were overseas. Is there any way in which that form of control—and I do not necessarily mean price control, but use the word in its broader sense—can be removed in order that assistance may be given to veterans who are anxious to reestablish themselves in small businesses, so that they will be able to get the commodities which will enable them to carry on whatever business they are going into.

Mr. ILSLEY: The question is one which would have to be answered by the Minister of Finance. I am sure he will be prepared to answer it when we get into committee on the bill. Commodities which are subject to equitable distribution must be very much limited in number. I would be surprised to learn that that is the situation at the present time so far as soap is concerned.

Mr. PEARKES: This happened in either December of last year or January of this year, before the house assembled.

Mr. ILSLEY: The complaint is usually about sugar.

Mr. PEARKES: I am talking about soap.

Mr. ILSLEY: There are very few commodities in connection with which that situation arises. It might very well be that if there were no controls those men could not get anything. Certainly, if they were able to get anything it would be at the expense of somebody else; somebody else would go short. In those circumstances it seemed the fairest thing to do was to make an order for what is called equitable distribution; that is, distribution on the basis of the business done at a certain period.

Mr. MacNICOL: The soldier could not do anything when he was overseas.

Mr. PEARKES: I want to put in a special plea for the men who were overseas when this deadline was set. They have returned, and the reason given is that they were not in business in 1941 and therefore cannot get allotments of the different commodities they require.

Mr. LENNARD: Following what the hon. gentleman has said, I do not know anything

about sugar, but I do know there are many chaps in the district from which I come who were butchers in the army. When they came home they applied for butchers' licences, but they were refused because they had not been established butchers before they went overseas in 1940 or 1941.

Mr. COCKERAM: I listened this afternoon to the hon. member for Quebec South and, in substance, I am entirely in agreement with him. I believe the minister is doing something today which this country will not approve in the days to come. He is putting fifty-seven bills, some of which we can approve and others which we disapprove, in one bucket, and he is saying, "You will take them all or you will leave them".

Some hon. MEMBERS: No.

Mr. COCKERAM: That is what the minister is doing. I am one of those who believe that the future development of this country is dependent on private enterprise. The minister may be one of those who come from Nova Scotia who does not think that, but I happen to be interested in the development of the north country. I believe the minister and the Minister of National Revenue should take stock of what they are doing. If we want to do something for this country in the days that are to come we should not be confining our development to the settled areas; we should be pushing our frontiers back to the north, if necessary, right to the Arctic circle.

There are many hon. members who know that industries in their cities and towns derive a great deal of benefit from the great mining industry which has been developed in this country. In Labrador, possibly one of the greatest iron mines in the world is being developed today with Canadian capital and Canadian labour. In Quebec and Ontario, many low grade mines which had been developed have been forced to close because of the action last June of the Minister of Finance. In northwestern Ontario there is considerable new development in mining. In Manitoba you have the Snow lake area and the new Lynn lake area. That is likely to develop into another major nickel area. Then you go into Saskatchewan, Alberta and the northwest territories where you have the Yellowknife and many other mining areas being developed. These different developments are not taking place because of the good graces of this government. By means of orders in council and the manipulation of exchange this government has apparently decided that it does not want any more new mining areas in the country.

The CHAIRMAN: Order.

Some hon. MEMBERS: Sit down.

Mr. COCKERAM: Do you think I should?

Some hon. MEMBERS: Yes.

The CHAIRMAN: I did not interrupt the hon. member for York South and I think I gave him a good deal of leeway. What I am doing now is to draw the attention of the committee once again to the resolution and to the rule that the discussion in committee must be in accordance with the terms of the resolution. Is it the pleasure of the committee that I should report the resolution?

Mr. COCKERAM: No. I have a definite idea in my mind—

An hon. MEMBER: No!

An hon. MEMBER: Impossible!

An hon. MEMBER: Get it out.

Mr. COCKERAM: This industry meant much to this country during the depression. If the country should again come to a period of depression it will mean much in the future. While there may not be any special section of this resolution under which I could speak, I felt that I should say that.

Mr. HACKETT: I do not think what I have to say will infringe the rules of debate or will cause ill-will or bad temper on the part of anyone. The Minister of Justice, in language to which I take no exception, has characterized me as an extremist. I wish to say that I have been consistently against controls. I believe that during war, controls were necessary, but, when the war was over, their usefulness came to an end. I have always believed that the sooner we were rid of them, the better it would be for Canada. Approximately eighteen months have elapsed since we emerged from the war, and, roughly speaking, we still have all the controls we had when hostilities finished. I draw to the attention of the minister the fact that quite possibly he has the votes of the committee with him. But if I am an extremist I would have him know that I speak the feelings of a vast majority of the population of the province of Quebec.

Some hon. MEMBERS: No.

An hon. MEMBER: Prove it.

Mr. HACKETT: Just a moment. I will prove it in this way. I will ask any member for a rural riding in Quebec to stand up and say his people favour controls. It is all very well for hon. gentlemen to jeer, but where are the members from rural ridings

who stand up and say that they favour these controls and that they believe an emergency exists.

The minister is entitled to his own views. As I am probably the only member from the province of Quebec who is not more or less under the influence of the whip of the party of the right hon. gentleman opposite, it is my privilege to express a view which is prevalent and, I believe, dominant in that province.

I wish to remind the minister of another fact: between the two German wars there has completely vanished from Europe the forms of parliamentary government which existed before the first German war, and most of those parliamentary governments have been dissolved by following the path that this parliament is following. First, there was control; then, there was a dictatorship, and then, parliamentary government disappeared. If I appear to be somewhat reluctant to cast in my lot with hon. gentlemen opposite it is because I cherish, revere and respect the parliamentary institutions which we have inherited and by which we have become a vigorous and important people in the world, although our numbers may be somewhat small.

I hope that the right hon. gentleman will not take amiss what I say now, even though it be somewhat personal because I can assure him that I have a great regard for the services which he rendered during a most trying period, and I hope I have a measure of his respect. But I believe that the ordeal through which he passed when he was galvanizing Canada into great financial effort, when he stood solid against a horde of influences that might have caused him to waver, has totally unsuited him in mind, in outlook and in bearing for the period of reconstruction. I believe that the right hon. gentleman is convinced that the system which he struggled so manfully to maintain during the period of the war is one which must endure, and in that, sincere though he be, I believe that he is in error and is inclined to be a little harsh in his judgments of those who do not see eye to eye with his point of view.

Mr. MARQUIS: I wish to say to the hon. member that the farmers and the working men of my constituency are ready to accept those controls which are necessary to protect them against the abuses of capitalists.

Mr. FLEMING: May I ask the hon. member if the working men and farmers to whom he refers support all fifty-seven of these orders in council?

Mr. MARQUIS: We will discuss that in due time.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Motion agreed to and bill read the first time.

Mr. GREEN: May I ask the Minister of Justice when he expects to bring on the second reading of this bill?

Mr. ILSLEY: It will not be tomorrow. We expect it will be on Monday. If there is any change in that we shall announce it tomorrow.

Mr. GREEN: Is the bill available now?

Mr. ILSLEY: Yes.

GOVERNMENT EMPLOYEES

COMPENSATION FOR DISEASE, DISABILITY OR DEATH ARISING OUT OF EMPLOYMENT

Hon. LIONEL CHEVRIER (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to provide compensation to government employees who have suffered death or disability by accident arising out of or in the course of employment or by reason of an industrial disease out of or in the course of employment and to the dependents of such employees; such compensation and costs as may be awarded and the costs of administration to be paid out of the consolidated revenue fund. With provision also empowering the Minister of Finance to require employers to pay the compensation awarded their employees together with expenses of administration.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. MacNICOL: Is the minister not going to make a statement?

Mr. CHEVRIER: Mr. Chairman, the principle contained in this resolution is to recognize and extend the principle of compensation. The Government Employees Compensation Act enacted in 1918 provides for compensation to those who are injured or whose death may be caused by an accident arising out of and in the course of their employment. That act is known as chapter 30 of the revised statutes of 1927, as amended by chapter 9 of the statutes of 1931. The principle recognized therein is one which has been asserted over the years. This resolution is the forerunner of a bill which will extend the principle materially. The compensation which will be provided is that which is already provided under provincial legislation for persons other

than employees in the service of His Majesty under the law of the province in which the accident occurs.

The liability and the amount of compensation are also provided under that legislation. Since 1922 compensation for the employees of His Majesty has been in the hands of and administered by the Department of Transport. Claims arising from accidents or otherwise are handled differently according to the provinces. I think it is safe to say that in all provinces except Quebec the application is made directly to the workmen's compensation board of the province in which the accident or death occurred. The Department of Transport, by agreement with the provincial boards, is able to deal with the accidents through the boards and to grant compensation in accordance with the schedule of tariffs set out in the provincial acts.

In Quebec the procedure is somewhat different, in that the department deals directly with the individuals, except in cases which I shall mention when we come to the bill.

The resolution extends the principle of compensation, in that it would include disabilities and deaths arising from industrial diseases.

The resolution's main features may be summarized under the following heads: (1) it continues the Government Employees Compensation Act as it now stands; (2) it provides compensation in cases of disablement by industrial disease, as I said a moment ago, according to the law of the province in which such disease is contracted; (3) it empowers the governor in council to declare employees of government companies, corporations, boards or agencies to be employees subject to the act; (4) it provides compensation for employees residing in the northwest territories in accordance with the law or ordnance of the Yukon territory; (5) it provides compensation for employees ordinarily resident in a province who are injured or disabled while performing the work in the Yukon territory or northwest territories, according to the law of the province where such employee is ordinarily resident; (6) it provides compensation for employees who are injured or disabled while employed outside Canada; (7) it empowers the governor in council to make regulations providing compensation for employees who contract pulmonary tuberculosis in government hospitals. There are several extensions of the principle of compensation as outlined in the original act, and I shall be glad to discuss them in greater detail when the bill is before the house.

Mr. MacNICOL: I had something to do with the first compensation act, which, I believe, was enacted in Ontario, because I have always been a firm believer that workmen should have the utmost compensation when injured in the work in which they are engaged.

I have some memory of what we have passed in this house before. I can understand why the government would pass a Workmen's Compensation Act pertaining to the northwest territories. The minister also included "outside Canada", presumably where our men are working. There is probably some good reason for that; but I was always under the impression that workmen were adequately protected under the present compensation acts of the provinces.

So far as Ontario is concerned, it has a number one workmen's compensation act. I am not 100 per cent satisfied with the details of the administration of it. The act is a first-class one, and I shall explain in a moment why I am not satisfied with the administration of it.

If the government passes an act along the lines indicated by the minister it will have to set up some considerable staff. The administration of the northwest territories will take—

Mr. CHEVRIER: Not a larger staff than now exists.

Mr. MacNICOL: In the provinces the workmen's compensation administration have on their staff experts all along the line. The minister mentioned industrial diseases. If this new legislation is to consider industrial diseases I presume that it will be something new in the northwest territories. They have not been long enough in the mining business in that section of the country, and certainly not in the manufacturing business, to have had much experience in industrial diseases. Thus the department will require a staff of experts competent to decide what particular industrial disease has caused the sickness or death of an employee. That will mean a large increase in staff.

What I am worrying about at the moment —and I am not finding any fault with it—is that we are to set up another big department.

Mr. CHEVRIER: May I interrupt the hon. member. Perhaps I should have covered this when I made the original statement. The Ontario act and the provincial acts do not cover government employees. It has been the policy in the past to use the service of provincial boards. That is what will be done in this case except in one or two instances which may be mentioned when the bill is up for discussion. Generally, I think I am safe in saying that it will not mean an increase in staff. It may be that, because of government regulations which will have to be enacted to cover

pulmonary tuberculosis, one or two more may be needed, but certainly nothing in the nature of what my hon. friend has in mind. I can assure him of that.

Mr. MacNICOL: That is a good explanation. I want the minister to believe that I am in support of the bill. I am just seeking the widest information that I can get.

The minister particularly mentioned industrial diseases. That is something with which I am familiar because of my many years' connection with a large industry. I have seen many men lose their lives as a result of industrial diseases, and that is what I had in mind a few moments ago when I said I was not 100 per cent satisfied with the operation of the Ontario act in that regard. I may say that many many cases have come to my attention in the last twenty-five years, cases of employees of industry who lost their lives because of industrial diseases.

I had one case brought to my attention not so long ago, that of a man whom I knew. He was a moulder in a plant. It is not necessary to mention the name of the city or to specify the plant. He contracted a disease which caused his death. I am certain that he contracted the disease because he worked under a skylight which was unprotected. There was no glass covering between him and the skylight. In due course he died. In spite of anything I could do to obtain compensation for his wife—I was certain he died through a disease contracted from the unprotected skylight—I could make no impression on the board because they stated they had to take the decision of the medical staff. I hope that in the bill which the minister is going to bring in, under such circumstances, if a workman in any plant over which the government has control contracts an industrial disease and the medical staff say that the disease was not contracted through his employment, he or his family will have an appeal from the medical staff. If the minister has not that in his bill, then I hope, when the bill is brought down and I bring the question up again, he will be able to assure me that the workmen will have an appeal from the medical staff. I do not think for one moment that the medical staff of any compensation board should have the last word on whether a workman has come to his death through disease contracted in a plant, if they say he has not. Doctors know a great deal, I admit, but there are some industrial diseases they do not know to the extent of 100 per cent, in any event.

I myself worked in industry for approximately a quarter of a century and, as I said a few moments ago, know of many men dying from having contracted industrial diseases. They died from that cause, in spite of what the medical staff of the compensation board said. If I were in the Ontario house or had any connection whatever with the workmen's compensation board in Ontario, I would do my best to have the Workmen's Compensation Board Act amended to such an extent that the report of the medical staff in reference to an industrial disease would not be final until the workman or his family was allowed to appeal to a judge or a court. I would take the decision of the judge more readily than I would take the decision of the medical branch of the compensation board. I hope that when the minister brings his bill in he will, having in mind what I have said, be able to assure me in any event that a workman in any government plant, or a miner, in the Northwest Territories, who contracts an industrial disease, will have a court of appeal above the medical staff of the board.

I do not know that I have much more to say about the matter tonight. I am not opposing introduction of the bill. I shall be prepared to discuss it when it does come in, and its various clauses. I have no doubt that I shall be in a position to support the bill very generally. The reference I have just made to the medical branches of compensation boards is a result of many contacts with them in contests for compensation to families of men who, I knew, died from an industrial disease. I hope that there will be some provision in this bill to give the workman an appeal above the medical branch of a board.

Mr. ISNOR: There is just one question I desire to ask the minister before the resolution is carried, and it arises out of the wording of the resolution where it says "employees who have suffered." Does that mean that it is retroactive and will take into consideration employees' cases which are now being considered?

Mr. CHEVRIER: Yes. That is covered by a section in the bill which will protect any cases which are now pending.

Mr. MacINNIS: The minister mentioned two compensation acts, the act of 1918, I think, and the act of 1931. Is this a bill amending those acts, or is it a complete bill in itself?

Mr. CHEVRIER: It is a completely new bill repealing the old acts and extending the principles contained therein.

Resolution reported, read the second time and concurred in. Mr. Chevrier thereupon moved for leave to introduce Bill No. 105, respecting compensation for government employees.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. MACKENZIE: Tomorrow the Minister of Finance will ask for interim supply, as he has already informed the leaders of the various parties and groups in the house, and also ask that we deal with further supplementary estimates for 1946-47, which amount to approximately $55,000,000. Then we shall continue with the discussion of the bill in the name of the Minister of Transport; then second reading of Bill No. 26, also in the name of the Minister of Transport; then there is a bill in the name of the Secretary of State in regard to trading with the enemy. I think that will probably be sufficient.

Mr. MacINNIS: In what order will they be taken?

Mr. MACKENZIE: As far as possible in the order I have mentioned.

Mr. GREEN: Will the house be sitting tomorrow night?

Mr. MACKENZIE: No. On account of certain obligations elsewhere, I understand that the house will not sit tomorrow night.

Mr. MacINNIS: What are the particular reasons why the house is not to sit tomorrow night? It seems to me that we have all the time in the world, judging from the way we are carrying on.

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

Friday, March 28, 1947

The house met at three o'clock.

REPORTS OF COMMITTEES

Third and fourth reports of standing committee on banking and commerce.—Mr. Cleaver.

First report of special committee on Dominion Elections Act, 1938.—Mr. Cote (Verdun).

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): On behalf of the Prime Minister (Mr. Mackenzie King) I desire to move, seconded by the Minister of Reconstruction and Supply (Mr. Howe):

That Mr. William Henry Golding be appointed as deputy chairman of committees of the whole house.

[Mr. Chevrier.]

The essential reason for this motion is one of procedure. If the records of 1938 are referred to, all the precedents will be found. Section 3 of the Speaker of the House of Commons Act provides that whenever the house is informed by the Clerk at the table of the unavoidable absence of the Speaker, the chairman of committees shall take the chair and exercise the authority of the Speaker for twenty-four hours. It follows from this that the Speaker only, or the Deputy Speaker if the Speaker is unavoidably absent, can open the sittings of the house. If they were both absent at three o'clock the sittings of the house could not be opened.

In order to avoid such an occurrence the house added in 1939 the following provision as section 5 of standing order 56:

At the commencement of every session, or from time to time as necessity may arise, the house may appoint a deputy chairman of committees who shall, whenever the chairman of committees is absent, be entitled to exercise all the powers vested in the chairman of committees including his powers as Deputy Speaker during Mr. Speaker's unavoidable absence.

After this new standing order was passed the leader of the house moved that a certain hon. gentleman be appointed. I understand that Your Honour has consulted with the leaders of the various parties and groups in the house.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): I am delighted that this motion has been sponsored by the right hon. gentleman. On two occasions I had the honour of visiting the hon. member for Huron-Perth (Mr. Golding) and his constituents. He is one of the worthiest members of the House of Commons. He is a wise man; he is a good Liberal; he is a true Liberal; he is broadminded; he is devoted to his duty; he has judgment and tact; he has determination. He acquired these attributes because of his long experience in the municipal life of his community, first as councillor and then as alderman. I am delighted that the merits of the hon. gentleman are being recognized. He is the chairman of the Liberal caucus—

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: —and he deserves everything he is getting. When a member of parliament shows judgment as the chairman of a party caucus he is eligible for any good post.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I want to pay my tribute to my good friend the hon. member for Huron-Perth, but I speak of him from an entirely different point of view, as a workman. He has been a workman for many years. He was trained in foundry

and machine shop practice in an old pioneer company in his town which I myself knew of for many years. I take this as a tribute to the working class—I mean the sensible working class, men like the hon. member, men who work, not just talk. All the time he has been in the house he has demonstrated that he possesses good old fashioned common sense and I congratulate him.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think I should say to the house that it is at the suggestion of His Honour the Speaker that the government is making this provision for a deputy chairman of committees for the purposes mentioned a moment ago by my colleague, the Minister of Veterans Affairs (Mr. Mackenzie). When I spoke to the hon. member for Huron-Perth about accepting the position, it was pointed out to him that we had had a similar post some years ago. That position was filled by an hon. member of this house and an additional remuneration of $1,000 was attached to the position. The hon. member for Huron-Perth told me that he would be very happy to render any service he could to the Commons, but he felt that he did not wish to be remunerated for anything in the way of extra service that this position might involve. I just want to add my word of thanks and appreciation to the hon. member for accepting these duties in so patriotic a manner.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, there are few men in the House of Commons with whom I have been more closely associated in a personal way than the new appointee of the government to whom reference has been made this afternoon. I hope that by now he is no longer infringing upon constitutional amenities and that his resignation so far as the Liberal caucus is concerned will be taken care of before he continues with our work.

I should like to add my word of congratulation to the hon. member. He has always been most fair with me in the House of Commons. He has assumed a great load in carrying on his duties, and I suppose he has been in the chair more often than most private members; at least my experience in the house would so indicate. May I conclude by saying that his generosity and the sacrifice he is making in rendering this additional national service is something for which he should be commended most heartily by all sides of the house. If after leaving the chairmanship of the Liberal caucus he continues to carry out his new duties as he has in the past, we will welcome him with open arms.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I have asked my leader, who usually speaks on occasions of this kind, to be permitted the honour of congratulating the hon. member for Huron-Perth upon his elevation to the position indicated in the motion. I have known the hon. member since shortly after I came here for the first time, and our friendship has increased with the years. It is not very often that I find myself in complete agreement with the hon. member for Temiscouata (Mr. Pouliot), but I do want to say that I agree with everything the hon. member has said, and this goes for all the members of this group.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I do not think it would be wise to multiply words. I simply wish to say that we all agree with all that has been said with respect to the hon. member for Huron-Perth, and we will support the motion.

Mr. R. M. WARREN (Renfrew North): Mr. Speaker, I think if there is any member who has a right to say a word on behalf of the hon. member for Huron-Perth it should be the member for Renfrew North. The hon. member was my room-mate for many years, and you cannot live with a man for that long without getting pretty well acquainted with him. Some time ago I took it on myself to write an article outlining his history and sent it to the local papers. It was a fine story. I doubt if you could find a more hardworking member of parliament, a more honest type of citizen or a better citizen than will be found in the person of the hon. member for Huron-Perth.

Motion agreed to.

EMERGENCY POWERS

ORDERS IN COUNCIL TABLED

Hon. JOSEPH JEAN (Solicitor General): Mr. Speaker, the other day the right hon. Minister of Justice (Mr. Ilsley) told the house that when the emergency powers bill was introduced he would lay on the table copies of the orders in council and the amending orders as they appear in the schedule to the bill. Office consolidations of these orders have already been circulated but hon. members will notice that the list of orders which appears in the schedule to the bill does not refer to the office consolidations but to the orders and amending orders as they were passed. So I now beg leave to table copies of the orders, in English and French.

DOMINION ELECTIONS

CARTIER BY-ELECTION—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. MAXIME RAYMOND (Beauharnois-Laprairie): Mr. Speaker, I ask leave to move, seconded by the hon. member for St. Maurice-Lafleche (Mr. Hamel), the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the illegal striking of at least 1,500 Canadian citizens from the electoral list of the electoral district of Montreal-Cartier, who will be deprived of their right to vote in a federal by-election which will take place on March 31, in the electoral district of Montreal-Cartier, because of the government officers' failure and refusal to discharge their duty and of their striking from the electoral lists the names of those persons without any affidavit or through affidavits given under fictitious names in violation of rule 27 of schedule A of section 17 of the Dominion Elections Act, and their closing of the revision offices, while hundreds of persons were waiting to have their names maintained on the list, and the refusal to extend the time for such revision and increase the number of revising officers as provided by section 99 of the Dominion Elections Act, with the result that those citizens will suffer a great injustice.

Mr. SPEAKER: I must call the attention of the hon. gentleman to the fact that while we have rules in this house which give to hon. members the privilege of asking leave to move the adjournment of the house to discuss a definite matter of urgent public importance in the hope that the discussion may lead to some correction being made, the question which is raised by the hon. gentleman is not of such urgent public importance as to attract the interest of the house, nor could any correction be made by the house at this time. If some people believe that they have not been properly treated in the matter of the right to exercise their vote I believe the proper thing would be to appeal for a remedy to our civil courts. I do not think I can permit the hon. gentleman to move to adjourn the house to discuss this matter, as we have already before the house several important matters to be considered. I am therefore obliged to refuse the motion of the hon. member.

Mr. RAYMOND (Beauharnois-Laprairie): Mr. Speaker, before you give your final decision, may I say a word?

Mr. SPEAKER: I am sorry, but hon. members know that the ruling of the Speaker is not debatable, and I have already refused the hon. member's motion.

[Mr. Jean.]

Mr. RAYMOND (Beauharnois-Laprairie): But Mr. Speaker, the rule is that a member has the right to give the reasons why he is entitled to present his motion.

Mr. SPEAKER: The hon. member will admit that his motion is long enough for us to understand what he wants. I am satisfied from a reading of it that it is not a question of sufficiently urgent public importance to move the adjournment of the house, and so I have refused his motion.

Mr. RAYMOND (Beauharnois-Laprairie): Then, Mr. Speaker, I appeal from your decision.

Mr. SPEAKER: I would call the attention of the hon. member to the fact that I did not declare his motion out of order. I followed what has been the practice in this house for many years, that of refusing his motion, not declaring it out of order, because I did not consider it of sufficiently urgent public importance to be considered on a motion to adjourn the house. It has already been decided many times by this house that there is no appeal.

Mr. RAYMOND (Beauharnois-Laprairie): We have the right of appeal from the ruling of the Chair. That is the privilege of members of this house. We are never bound by a ruling of the Chair unless a majority of the members approve it. So I appeal from your ruling, Mr. Speaker.

Mr. COLDWELL: With due respect, Mr. Speaker, may I suggest that the hon. gentleman should be given an opportunity to give his reasons for his motion?

Mr. MACKENZIE: On the point of order, this question was decided by the house—I am sorry I have not the reference before me—on an occasion when Mr. Ralston raised the very same question and was seconded by myself. The Speaker had ruled that there was no appeal, and the question was whether there was any appeal from the Speaker's ruling. The house sustained the Speaker's decision that there was no appeal from his ruling.

Mr. COLDWELL: Does that bind the house forever, Mr. Speaker—just one Speaker's ruling

Mr. SPEAKER: There is nothing more binding on this house than the majority approval of his ruling by its members.

Mr. COLDWELL: Is not the procedure of this house always under its own control except when the matter is covered by a standing order? There is no standing order covering this point.

Mr. MACKENZIE: There is the rule at Westminster and here that the Speaker's decision, especially when sustained by a majority of the house, is always binding.

Mr. COLDWELL: Only for that parliament.

Mr. RAYMOND (Beauharnois-Laprairie): I recall distinctly the ruling to which the Minister of Veterans Affairs referred, when Mr. Ralston, sitting to the left of the Speaker, proposed the adjournment of the house to discuss a matter of urgent public importance. The Speaker declared his motion out of order and Mr. Ralston appealed from the ruling of the Chair.

Mr. MACKENZIE KING: If I am not mistaken, the rule with respect to bringing up a matter of urgent public importance is that the hon. member presents a copy of his motion to the Speaker before the house assembles, so that the Speaker may have the opportunity of considering whether the time of the house should be taken up in discussing that particular matter as a matter of urgent public importance. The Speaker, when he comes into the house and the motion is proposed, gives his ruling and that ruling is not debatable. That is one of the matters that is left in the hands of the Speaker of the house in order to assist in the procedure of the house, in the expedition of its business. It stands in a different category from the ordinary matters that come before the house.

Mr. RAYMOND (Beauharnois-Laprairie): Are we denied the right to appeal from the ruling of the Chair?

Mr. SPEAKER: Order. I would call attention of hon. members to Beauchesne's Parliamentary Rules and Forms, third edition, page 747, a ruling given by Hon. George Black, Speaker, February 19, 1932:

> The Speaker's refusal to permit an appeal from his decision that it is not urgent to adjourn the house for the purpose of discussing an urgent matter of public importance being appealed from was confirmed by the house.

Hon. members will recall that during last session—I do not remember the date—I myself gave the same ruling based on that precedent. Some hon. members appealed and the decision was sustained. I suggest that the house proceed now with its business.

Mr. GRAYDON: Mr. Speaker, may I have the floor for just a moment? It seems to me that the ruling you have just read further confuses the issue from the point of view of the hon. member, because as I read it, the Speaker's—

Mr. SPEAKER: Order. The hon. member knows that the Speaker's rulings are not debatable. There will be no confusion at all if hon. members accept the rules and the precedent which has been given.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Order. I invite the house to proceed with its business.

Some hon. MEMBERS: No.

Mr. GRAYDON: On a point of order, the Speaker's refusal to allow an appeal in the reference given by Your Honour was put to the house.

Mr. SPEAKER: Order. The hon. member must realize that he is not speaking on a point of order; he is debating the ruling given by the Speaker. Even if the Speaker wished to permit the hon. gentleman to do so he could not, because it is against the rules. Therefore I ask the house to proceed with its business.

And some hon. members having risen:

Mr. SPEAKER: Order. I have brought to the attention of hon. gentlemen the ruling given by a former Speaker. I could give other rulings along the same lines, given by former Speakers. Hon. members should be satisfied with that decision. I do not see why they rise in their places to appeal, because there is nothing before the house.

Mr. P. E. COTE (Verdun): By leave of the house I move that the first report of the special committee on the Dominion Elections Act, 1938, presented to the house this day, be now concurred in.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Order.

Mr. RAYMOND (Beauharnois-Laprairie): I maintain we have the right to appeal from the decision of the Speaker.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: Order.

And some hon. members having risen:

Mr. SPEAKER: Order. I would ask the hon. member to resume his seat. I have already given my ruling and I hope that hon. members will realize that the Speaker is doing everything possible to be fair to the house.

Some hon. MEMBERS: No.

Mr. SPEAKER: It is his duty not to permit any hon. member or hon. members to cause confusion in the house. If hon. members do not wish to abide by the rules of the house, the Speaker, with regret, will be obliged to apply the sanctions which he can apply in such cases.

Mr. QUELCH: Mr. Speaker, we have difficulty in hearing in this section of the house. Has Your Honour ruled that this is not a matter of urgent public importance?

Mr. SPEAKER: Order. Moved by Mr. Cote (Verdun)—

Some hon. MEMBERS: No, no.

Mr. SPEAKER: —that the first report of the committee—

Some hon. MEMBERS: No, no.

Mr. SPEAKER: If the hon. member has not the unanimous consent of the house I cannot put the motion.

Some hon. MEMBERS: No.

Mr. SPEAKER: Introduction of bills.

Some hon. MEMBERS: No.

Mr. SPEAKER: Orders of the day.

Some hon. MEMBERS: No.

LABOUR CONDITIONS

EMPLOYMENT OF NEWFOUNDLAND FISHERMEN AT LUNENBURG AND HALIFAX

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Let us act grown up for five minutes.

Mr. ROSS (Souris): When do we start having a dictatorship?

Mr. MITCHELL: Sometimes when I look at my hon. friend I find that he looks like a dictator. Let us break this up for just five minutes.

Referring to the question raised by the hon. member for Cape Breton South (Mr. Gillis) on Wednesday, March 26, arising out of a telegram from Mr. B. Mackenzie, president of the Canadian Fishermen's Union, objecting to entry into Canada of Newfoundland fishermen to engage in the Nova Scotia fishing industry, I would like to make the following statement.

For many years Newfoundland fishermen have been allowed entry each season at Canadian Atlantic ports to assist in operating ships engaged in deep sea fishing. The fishermen who enter Canada under this arrangement are checked out at the close of the season.

In years past it has been necessary to supplement the number of Nova Scotia fishermen to maintain full operation of the industry. Men with the particular skill, coupled with the desire to engage in deep sea fishing—

Mr. BENTLEY: Order.

Mr. MITCHELL: It will be on the record; the hon. member does not need to worry about it.

[Mr. Speaker.]

Mr. BENTLEY: We want to hear.

Mr. MITCHELL: This is the first time anybody has said that he could not hear me.

In years past it has been necessary to supplement the number of Nova Scotia fishermen to maintain full operation of the industry. Men with the particular skill, coupled with the desire to engage in deep sea fishing, are relatively scarce. The Newfoundlanders have the special knowledge and are available and the result is that they have served to play a helpful part in the industry. These Newfoundlanders fish on exactly the same basis of sharing in the catch as do Nova Scotia fishermen.

The number of Newfoundland fishermen entering Canada for the purpose indicated is small: ninety-three have been admitted to date for the 1947 season. Owing to the recent fishermen's strike the immigration branch of the Department of Mines and Resources temporarily suspended the entry of men from Newfoundland for this operation.

It is understood that fishermen from Newfoundland will be employed only where Nova Scotia fishermen are not available and that their employment will accordingly result in no aggravation of the unemployment situation.

BANANAS

INQUIRY AS TO REIMPOSITION OF CUSTOMS DUTIES

On the orders of the day:

Mr. PARK MANROSS (London): I should like to direct a question to the Minister of Finance. So far as customs tariffs are concerned, will bananas be on the free list after March 31, or will they be dutiable?

Hon. DOUGLAS ABBOTT (Minister of Finance): Speaking from memory, Mr. Speaker, I think the exemptions from tariff duties on bananas lapse on March 31 with the lapse of the War Measures Act, and the usual customs tariff provisions will apply.

INQUIRY OF MINISTRY

THE "GLOBE AND MAIL"

On the orders of the day:

Mr. L. W. SKEY (Trinity): Is the Minister of Reconstruction and Supply sitting there in the heart of the Liberal party reading that excellent paper, the *Globe and Mail*?

Mr. HOWE: I want to anticipate the debate of this afternoon and see what charges we have to meet.

Mr. SKEY: It must have great influence towards conversion.

DOMINION ELECTIONS

CARTIER BY-ELECTION—CHARGES OF IRREGULARITIES

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I wish to direct a question to the Secretary of State. Has the attention of the government been drawn to charges of serious irregularities in the preparation of electoral lists in the Cartier by-election, and what action has been taken by the government to correct them?

Hon. COLIN GIBSON (Secretary of State): A telegram came in just after lunch today and a reply is being sent to the sender in Montreal.

An hon. MEMBER: What is the answer?

EXPERIMENTAL FARMS

CHARLOTTETOWN—APPOINTMENT OF SUPERINTENDENT

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): I desire to direct a question to the Minister of Agriculture. If not already made, when will the appointment of a superintendent for the experimental farm station at Charlottetown, Prince Edward Island, be made?

Right Hon. J. G. GARDINER (Minister of Agriculture): It has not yet been made but is under consideration, and of course it will be made by the civil service commission.

SUPPLY

The Clerk Assistant having called order No. 1—House again in committee of supply:

And Mr. Speaker leaving the chair:

Mr. RAYMOND (Beauharnois-Laprairie): Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The order of the day has already been read.

Some hon. MEMBERS: Put the motion.

Mr. SPEAKER: Hon. members will realize that the Speaker, being close to the table, knows what is going on. The assistant clerk has already read three times the item which has been called, to go into supply. As no motion should be put on Thursday and Friday, I left the chair.

Mr. COLDWELL: On a point of order, Mr. Speaker, as far as I could hear, no motion was put, and after all, the motion to leave the chair must be approved by the house before the Speaker leaves the chair.

Mr. ABBOTT: Not on Friday.

Mr. COLDWELL: There are no departments in supply. The house has not gone into supply yet.

Mr. SPEAKER: I would call the hon. member's attention to standing order 28, which reads:

On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question—

Mr. MacINNIS: That applies only to departments that have already been put into supply, and no department has been put into supply so far.

Mr. SPEAKER: The standing order is very clear, that on Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question.

Mr. COLDWELL: That is in the event of departments being in supply, when we can discuss the estimates of the departments that have already been put in. There are no departments in supply and I contend that the motion to leave the chair should be put to the house.

Mr. SPEAKER: I am sorry, but it is the practice.

Mr. COLDWELL: May I read it all, Mr. Speaker:

On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question, provided that, except by the unanimous consent of the house, the estimates of each department shall be first taken up on a day other than Thursday or Friday.

Mr. SPEAKER: I would point out to the hon. member that that applies when we know in advance what is going to be taken by the committee.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: We do not know today what is going to be taken, and I would go further. It is the practice for the Speaker to leave the chair without putting any motion, and the Speaker bases his rulings on the advice of the Clerk of the House, who is fully conversant with the rules.

Mr. COLDWELL: Mr. Speaker, may I refer you to citation 232, which reads:

This standing order sets aside Thursdays and Fridays for the house to go into committee of supply, or ways and means, without the Speaker putting any question. The committee cannot take up the estimates of a department on those days unless that department has already had

part of its estimates considered in committee on some other day. But this course can be changed by the consent of the house.

It requires the unanimous consent of the house to do, Mr. Speaker, what you suggest doing this afternoon, and I suggest that the motion should be put.

Mr. SPEAKER: The hon. member will realize, having read what he has just read to the house, that unanimous consent is given in committee and not in the house.

Some hon. MEMBERS: Oh, no.

An hon. MEMBER: Nonsense.

Mr. SPEAKER: I think I have given enough latitude since the beginning of this sitting to discussion of the attitude of the Speaker.

Mr. COLDWELL: I notice there is an ominous silence on the other side of the house. I should like to have the opinion of the Minister of Veterans Affairs (Mr. Mackenzie) on this ruling, because usually he discusses matters of this kind.

Mr. SPEAKER: I am sorry, but I will not permit any discussion. I had already left the chair when an hon. member rose.

Mr. COLDWELL: Then I must respectfully submit that your ruling is wrong. I dislike doing this, but I will appeal from the ruling.

Mr. MACKENZIE: I wonder if the following are not the facts—that there was an agreement among all parties in the house, I think, that we would take up interim supply as the first order of business this afternoon. That is my recollection anyway, and my understanding. I quite agree myself, and I am often very wrong—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE: —that the motion should be formally put, as well as any announcement by the Clerk, because the announcement might not be heard by some of our friends in the far corner of the house. But I do say this. Seeing that we had a general agreement yesterday that we would take up this item, I think that once the house is in committee unanimous consent will be necessary if anyone wishes to speak to something else. That was my understanding last night, and there must be some mistake if we depart from the gentlemen's agreement we had then.

Mr. COLDWELL: The minister puts an entirely different complexion upon it. On those grounds the matter has a different light. I am anxious however to preserve the right of this house to do certain things which it is given the right to do under the rules. If the minister makes an appeal of that kind he does so on a different basis and it must not be considered that if we allow it to be done we are establishing a precedent. It must be understood, with all due respect to you, Mr. Speaker, that the ruling you attempted to make is not accepted by the house.

Mr. RAYMOND (Beauharnois-Laprairie): Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. RAYMOND (Beauharnois-Laprairie): The minister has referred to an agreement. I was not a party to the agreement and I did not agree.

Some hon. MEMBERS: Put the motion.

Mr. Speaker having left the chair, the house went into committee, Mr. Macdonald (Brantford City) in the chair.

INTERIM SUPPLY BILL

The CHAIRMAN: Order. The house in committee of supply—

Some hon. MEMBERS: No.

The CHAIRMAN: Order. Hon. members will allow the chairman to read the resolution:

Resolved, that a sum not exceeding $190,921,733.56, being one-sixth of the amount of each of the several items to be voted as set forth in the main estimates for the fiscal year ending March 31, 1948, laid before the House of Commons at the present session of parliament, and in addition thereto the sum of $1,246,374.91, being one-twelfth of the amount of items 15, 19, 120, 123, 124, 127, 137, 138, 160, 162, 163, 165, 175, 384 387, 389, 485 and 489 of the said estimates; and the sum of $1,016,666.66, being one-sixth of the amount of each of the several items to be voted as set forth in the supplementary estimates for the fiscal year ending 31st March, 1948, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending 31st March, 1948.

Is it the pleasure of the committee to adopt the resolution?

Mr. SINCLAIR (Vancouver North): As a back bencher of the Liberal party I wish to rise to a question of privilege. I cannot sit here in silence and give assent to the Speaker refusing to allow the hon. member for Beauharnois-Laprairie to stand up—

The CHAIRMAN: Order.

Mr. SINCLAIR (Vancouver North): I insist on finishing my point of privilege, and I have not finished yet.

The CHAIRMAN: Order. The hon. member cannot, when the house is in committee, raise a point of privilege on what took place in the house. The point of privilege must be taken when the Speaker is in the chair.

Mr. SINCLAIR (Vancouver North): I had no opportunity, because the Speaker walked out of the chair. The Speaker would not listen to the hon. member.

The CHAIRMAN: Order. I must ask the hon. member to observe the rules of the house.

Mr. SINCLAIR (Vancouver North): We are having no opportunity to observe the rules of the house this afternoon.

The CHAIRMAN: Order. I think every hon. member will agree with me that what has taken place in the house cannot be discussed when we are in committee. There will be another opportunity.

Some hon. MEMBERS: No, no.

Mr. QUELCH: I wish to point out that we did not agree to the Speaker leaving the chair. He walked out of the chair.

The CHAIRMAN: Order. That criticism should be directed to the Speaker when he is in the chair.

An hon. MEMBER: Page the Speaker.

The CHAIRMAN: The house is now in committee of supply. There is a resolution before the committee. The committee will direct me whether or not I shall report the resolution. Shall I report the resolution?

Some hon. MEMBERS: No.

Mr. IRVINE: Mr. Chairman, we were given to understand that, because we had gone into committee without the formal passing of the motion, any hon. member had the right to take exception to it in committee; and unless the unanimous consent of the committee were given, the matter could not be discussed. That was the ruling which the Speaker gave. Is that the position now?

Some hon. MEMBERS: Yes.

The CHAIRMAN: Do I understand that an hon. member moves that the committee rise?

Some hon. MEMBERS: No.

Mr. POULIOT: No. The hon. member for Beauharnois-Laprairie was just standing up when the chairman was sitting down.

Mr. MACKENZIE: In order that no hon. member of the house may properly say that he was not seized of the intentions of the house today, may I recall what was stated on the last page of *Hansard* last evening in regard to the business of the house today. Interim supply and the supplementary estimates were referred to specifically. So that when the hon. member says that he was not notified, it is possible that he was not consulted with regard to the arrangements for interim supply—

Mr. QUELCH: He did not give his consent. It was agreed that only by unanimous consent would we go into committee without a vote being taken. This hon. member did not give his consent to that procedure.

Mr. MACKENZIE: That may have happened. I do not know anything about the facts with regard to the hon. member for Beauharnois-Laprairie. I know that was the general agreement of the house.

Mr. ABBOTT: Mr. Chairman, if I may say a word—

Some hon. MEMBERS: No.

Mr. ABBOTT: I have a suggestion to make which may solve this difficulty.

Some hon. MEMBERS: No, no.

Mr. ABBOTT: It may.

The CHAIRMAN: The hon. Minister of Finance.

Some hon. MEMBERS: No.

Mr. ABBOTT: I am only trying to expedite matters.

Some hon. MEMBERS: No.

Mr. ABBOTT: I will sit down then. But if the committee would just listen for a moment, I should be obliged. I take it that the desire of the hon. member for Beauharnois-Laprairie was to discuss some matters arising out of the situation in the electoral division of Cartier. In the supplementary estimates which I had hoped we could consider this afternoon there are estimates relating to legislation in the House of Commons. If I may make this suggestion, I think that any question which he would care to discuss on the motion to adjourn the house could be discussed on that item. I am not insisting on it, but I wish to point out to the house that it is important that interim supply be voted today; otherwise it may prove impossible to pay the civil service salaries and wages as usual.

Some hon. MEMBERS: No.

Mr. ABBOTT: That is all right. I do not press it. I understand we had hoped to adjourn at six o'clock, not to meet the convenience of myself or my colleagues, I may say. I am simply making that suggestion. I do not wish to curtail the discussion of the election in Cartier or anything else. I am anxious to get interim supply through today.

I discussed it with the leaders of the parties, it was announced in the house last night, and I had counted on being able to do so.

Mr. QUELCH: Will you call that item first?

Mr. HANSELL: Call the item under which the matter can be discussed.

Mr. MACKENZIE: Yes, do that.

Mr. ABBOTT: I should be very glad to do that, only we are in committee of supply. There would be no objection to doing that.

Mr. MACKENZIE: No. After all, there is a fundamental principle involved, that every hon. member of this house has the right to ventilate grievances before supply is voted. Inasmuch as that was not done at the previous stage in the procedure, I suggest that we do it in committee, and that the hon. gentleman be given the opportunity to ventilate the grievances which he feels he should ventilate before we vote supply and interim supply in this committee.

The CHAIRMAN: The hon. member for Beauharnois-Laprairie.

Mr. RAYMOND (Beauharnois-Laprairie): Mr. Chairman, this is not the first time that we have had occasion to refer to the electoral methods used in the constituency of Montreal-Cartier. There was an election in 1943 and another one in 1945. Previous to the 1943 and 1945 elections there had been a provincial election where Mr. Cohen had been elected. In some polls when the box was opened at six o'clock it was found that although the list contained only 100 or 150 names, more than 200 voters had registered. In 1943 the electoral lists were prepared by the enumerators. At that time hundreds of people were disfranchised. The same thing happened in 1945. Now we see a repetition of what took place in 1943 and 1945. The only difference is that it has been aggravated. In 1943 and 1945 the names of hundreds of people were omitted from the list. This time not only were names omitted from the list, but after receiving certificates stating that their names would be inscribed on the electoral lists, people received notices that because of affidavits made by unknown people, affidavits not sworn and in some cases not even signed, their names were to be removed.

What took place? Let me give just one example. In one poll in Montreal there is a man who is well known all over the province. I refer to Doctor Stephen Langevin, who has been living on Sherbrooke street for the last thirty years. He is a property owner. He was visited one day by the enumerators who, mind you, were appointed at the suggestion of the two candidates, communist and Liberal. He received a certificate stating that his name would be inscribed on the list. A few days later he received notice stating that his name would be omitted because he had moved. He is there; he is a property owner. He has never lived anywhere but in that block; he has been practising there all the time. On the last day or second last day he went to the office of the revising officer because he wanted his name on the list. Several hundred people were waiting to get into that office. He could not get in, but while he was waiting he made up a list of I do not know how many names of people who were also waiting because they had received similar notices. They were waiting, but they could not get in either. Now this gentleman and all his family will lose their votes on March 31; and that is just one example.

In my opinion, Mr. Speaker, the primary right of a man in a democratic country is the right to register his vote when an election is held to return a representative to the House of Commons. In this election some 1,500 people in Montreal will be deprived of that right on March 31 because of these irregularities. I hold the government responsible for this because these officers are employed and paid by the government, with the money of the public.

In this instance three persons, Paul Rioux, Charles Frechette, and Roland Beaudoin alias Beaudin, swore to affidavits that Doctor Langevin and others had moved or were unknown. I have a list here of the names of some of the people: Anna St. Vincent, Madame E. Parent, Madame E. Brisebois, Mademoiselle Florida Gagnon, Madame Ernest Parent, Omer Gagne, Samuel Brisebois, Madame Eugenie Alarie, Madame J. Roch, Monsieur J. Roch, Mr. N. O. Lacelle, Madame O. Lacelle, Monsieur A. Arsenault, Miss M. Provost, Mr. Roland Guay, Madame Jacqueline Alteben, Mademoiselle Cordelia Gagnon, Madame Pineault, Mademoiselle Clarice Langevin, Mademoiselle Antoinette Dionne.

These are a few of the names of the people who are going to be deprived of their right to vote on Monday next. Other persons have been struck off the list because of declarations which do not contain any reason why this should be done. According to electoral law such affidavits must set out the cause for which it is asked that these people be struck off the list.

It has been said that there was no recourse, no remedy for this situation. There was one, a very clear remedy. I quote section 99 of the Dominion Elections Act:

If during the course of any election it transpires that insufficient time has been allowed or insufficient election officers or polling stations have been provided for the execution of any of the purposes of this act, by reason of the operation of any provision of this act or of any mistake or miscalculation or of any unforeseen emergency, the chief electoral officer may, notwithstanding anything in this act, extend the time for doing any act or acts, increase the number of election officers, including revising officers, who shall however, be appointed by the appropriate ex-officio revising officer, who has been appointed for the performance of any duty, or increase the number of polling stations—

The chief electoral officer had the right to increase the number of revising officers when hundreds of persons were waiting at the office to answer these false affidavits. The door was closed at ten o'clock, however, and they were given no hearing. This was known by everybody, because these facts were published in the newspapers. The chief electoral officer knew about it; he was called here but he did not want to do anything, and there the matter stands.

I said some people have been struck off the list at the instance of people who have not even sworn to the notice they have handed the revising officer. In this connection I could quote many names. I have here a copy of the notice served on an elector. What happened? The elector received a notice that somebody had sworn in an affidavit that he was unknown, or that he had moved. This notice was delivered by registered mail. Who delivered that registered letter! It was delivered by employees of the post office department. They knew these people were there, because the letter was delivered, but in spite of that fact no one said anything and the government did nothing. More than that, the names of electors which already had been inscribed by the enumerators were struck out even before affidavits were given the revising officers. I have the proof here. Some notices were sent under date of March 14, while the affidavits were not signed until March 15.

I do not want to delay the business of the committee more than is necessary, but this is an important matter. I think I have said enough to convince the people that although we are supposed to live in a democratic country, we are not in fact living in a democratic country. As I said, the primary right of anyone living in a democratic country is the right to register his vote when an election is held to elect representatives to the House of Commons.

At the present time we are complaining that the people have no more confidence in public men, but what confidence can you have when you see all these things going on, I would not say with their consent but at least with their benevolent knowledge?

An hon. MEMBER: Blessing.

Mr. RAYMOND (Beauharnois-Laprairie): "Blessing", somebody said. They say that they are fighting communism, but if the Liberal candidate in Cartier is fighting communism he and his representatives are adopting the communist method. There is no difference between what is going on in Cartier during this election and what has gone on in Russia or Poland.

I thank you, Mr. Chairman, for having allowed me to give a few facts. Before concluding my remarks may I say that I think there is still time for the government to act. The election is going to take place on Monday—

An hon. MEMBER: Postpone it.

Mr. RAYMOND (Beauharnois-Laprairie): No; the election is going to take place on Monday. The chief electoral officer could appoint some revising officers, or he could increase the number of officers to receive these complaints.

An hon. MEMBER: That is the law.

Mr. RAYMOND (Beauharnois-Laprairie): The law is there; the law is clear. Section 99 gives the chief electoral officer the power to extend the time for anything which is included in the act.

Mr. LALONDE: Was that asked for?

Mr. RAYMOND (Beauharnois-Laprairie): It was.

Mr. LALONDE: By whom?

Mr. RAYMOND (Beauharnois-Laprairie): I called up personally. I did not speak to the chief electoral officer, but I spoke to his son who is in the office and he told me that he could not do anything.

Mr. LALONDE: That is hearsay evidence.

Mr. RAYMOND (Beauharnois-Laprairie): I am told that they called his attention to that. Even if his attention was not called to it, these things are known all over the country. People know what is going on in Cartier at the present time. I appeal to the government to be fair and to do what they can do before March 31.

Mr. ST. LAURENT: Mr. Chairman, I have listened with much interest to the remarks of the hon. member for Beauharnois-Laprairie. I am sure that everybody in this committee agrees that there is nothing that should be conserved as a more precious privilege than the right, of those who are entitled to do so, to vote. Parliament has provided an elections act which I think in a general way contains all the safeguards which members of parliament felt could be devised to assure that individuals might properly exercise that right. The act provides for the office of chief electoral officer. From the knowledge I have had of what has been going on I am sure that everyone has confidence in our chief electoral officer. I think everyone feels that he endeavours to administer that act in a fair, impartial and judicious way and to carry it out in the spirit in which it was passed.

Parliament has provided that enumerators shall be appointed. These enumerators are appointed by the returning officer, but I understand that they are designated by the representatives of the two parties who obtained the largest number of votes at the preceding election. There is possibly a weakness in the act with respect to the remuneration of enumerators at the rate of so much per name. I do not think that is the best way in which the remuneration of enumerators should be provided for. It may prove to be an incentive to gather as many names as possible for which they are paid, I think at the rate of seven cents per name, as part of the election expense.

However that may be, the act provides that the chief justice shall be ex-officio the revising officer and that he shall appoint his assistants. That is what was done in Cartier. I am sure that all those who have the privilege of knowing Chief Justice O. S. Tyndale will be confident that he would not be a party to nor would he tolerate anything that might amount to interference with the exercise of an elector's franchise. Presumably the chief justice appointed revising officers. The act provides that when the lists are drawn up the electors in the constituency may object to names. The hon. member says that objections were filed to some 1,500 names and that in accordance with the terms of the act they were stricken from the list. Notice was given to those whose names had thus been objected to.

The hon. member says that the revising officers closed the offices at ten o'clock at night before an opportunity had been given to all those who had responded to the notices to state their cases. I do not know about that personally. I do know that there were complaints of offices having been closed and that application was made to the courts in that regard. That is not something with which the government has to do. It is not something that it would be tolerable to have a government deal with; it must be something under the control of the judicial authority.

The revision was performed under the control of the judicial authority. Application was made to the courts alleging that there had been irregularities. I have not the record before me, but the newspapers report that application was made to the courts and that the justice who disposed of the application was one who formerly occupied the chair of this house. I think he is known to a large number of the members of the house. He heard the application, he considered the facts which the hon. member for Beauharnois-Laprairie has mentioned, and he dismissed the application, saying that there was nothing under the act which he could do or order.

The hon. member says that there is something that could be done by the chief electoral officer. I should be glad if he would suggest what could be done by the chief electoral officer.

Mr. RAYMOND (Beauharnois-Laprairie): There is section 99.

Mr. ST. LAURENT: Is that the section which says that the chief electoral officer can extend delays? What is the suggestion of the hon. member? Does he suggest that the chief electoral officer should postpone the date of the election? I should be glad if the hon. member would make a concrete suggestion, because I am sure there is not a single member in this house who would not concur in the adoption of any practical suggestion that might be made. It may be that our law, in spite of our best efforts—when I say "our best efforts" I mean the best efforts of the members of parliament—to make it a good law, is deficient in some respect. If it is and there results any kind of prejudice there could be a contestation and an invalidation of the election. If the hon. gentleman feels that there is anything at this time that can be suggested to the chief electoral officer that would take care of what he says are grievances I would be glad if he would make the suggestions and I am sure that, if they are practicable, there is not a member of this house who would not applaud his suggestions and recommend, so far as the members of this house have authority to do so to the chief electoral officer, that he implement them.

I am sure that no one wants to see a single elector deprived of the right to cast his vote. I have been told that there are some 37,000 names on this list. It is unfortunately one of

the consequences of the greater congestion of population that we know less about each other. The closer we live together in large cities, the less we know about our immediate neighbours, and it is quite possible that affidavits may have been filed by people who said So-and-so is unknown. I am sure that there are people living probably within one hundred yards of me in Ottawa who are unknown to me. That is one of the unfortunate circumstances which arise in congested districts. In the rural districts we all know each other. It may very well be that there is a deficiency in the act. It may very well be that it should not be possible to strike a name off a prepared list on the simple affidavit of some other elector that that name is unknown. That operates satisfactorily in rural parts, but I am not at all convinced that it should be possible to strike a name off a list in a congested area merely because some elector comes along and says, "That name is unknown to me".

Mr. JOHNSTON: But 1,500 names is a different thing.

Mr. ST. LAURENT: That is not a very considerable number in a population of 67,000.

Mr. GRAYDON: In a close election it might be.

Mr. ST. LAURENT: I am not trying to defend anything. I am merely saying that in that congested area it is quite conceivable that 1,500 names would be unknown to a very large number of those residing in that constituency. But that is something that does not take care of the present grievance. That is something we shall have to consider when we have the committee operating to improve the provisions of the electoral act. What is important at this time is to find if some practical method can be found to take care of what the hon. member mentions as the grievance of 1,500 people whose names have been struck off the list. If there can be found anything practicable I would be glad to have the hon. member for Beauharnois-Laprairie or any other member suggest it, and I am sure that the electoral officer would be only too glad to implement any practical suggestion that is made.

Mr. HEON: Mr. Chairman, I was very glad to hear the right hon. minister say that this house under no circumstances either directly or indirectly would approve any procedure which would deprive any elector of his right to vote. After all, that is one of the sacred rights which are left to us, the right to vote.

I listened carefully to what the hon. member for Beauharnois-Laprairie said. I for one consider him to be a gentleman and a man of great experience who would certainly not come before the house at this time and delay its ordinary business just for the sake of putting before the house something he could not substantiate. But whether the revising officers acted in good faith or in bad faith—and I assume it was in good faith—the fact remains, if my hon. friend's figures are correct, that 1,500 voters are being disfranchised. That is the problem with which they are faced. I am not prepared to say that this house can solve that problem today; I agree with the minister there, except possibly that the documents which my hon. friend has could be submitted immediately to the chief electoral officer. If the chief electoral officer is satisfied that there has been disfranchisement, whether in good faith or in bad faith, revising officers could be appointed today and ordered to sit tomorrow and Sunday and hear these 1,500 cases and find out whether they have been disfranchised rightly or wrongly. I have not scrutinized the act but certainly justice should be done. We are faced with affidavits and charges that fellow Canadians have been disfranchised. I have before me two of these affidavits which have been handed to me by the hon. member for Beauharnois-Laprairie and which tell the story. I am sure that no hon. member with legal training would be able to explain why these documents were prepared in this way. It is known that ways and means are provided in the electoral act of denouncing, if I may use that word, to the electoral officer an elector whose name should be struck off the list. There are forms provided by the chief electoral officer in which the denouncing person can insert the name of a person who, he thinks, should be disfranchised, and giving the reason therefor. On the first page of this affidavit which I have in my hand appear these words: "Avis A L'Electeur Visé Par La Contestation". That is signed by the revising officer. This particular notice was sent to Mr. Gagne Omer, 270 Deboisbriand, Montreal, who is the elector threatened with disfranchisement. The notice is addressed to him, signed by the revising officer, and it is dated March 13, 1947, which is the day when the notice was sent out over the revising officer's own signature to the elector who was being threatened with disfranchisement. On the second page there is an affidavit to be made by the denouncing person, and this affidavit is dated one day after the notice was sent out. I am prepared to let the minister look at it. I am not trying to allege anything I cannot prove.

The other notice was sent to Mr. Jean-Paul Coctu—I shall not attempt to analyse the name—residing at 4381 St. Dominique, Montreal, and was signed by the revising officer on the 14th day of March, 1947. The affidavit which should precede the notice is dated after the notice was sent which, of course, does not make sense either. Therefore I am suggesting to the minister—I am not attacking any of the officers; it is quite possible, the law being complicated as it is, that mistakes are made and can be made—that when these kinds of mistakes are being perpetrated it is time for parliament to correct the situation or amend the law.

Mr. ST. LAURENT: It would appear from the documents which the hon. member sent me that there is something irregular there. The dates the hon. member has mentioned appear to be those on the document, but I do not know that that constitutes anything that the house can do anything about at this time. Since we are revising the election act we should probably consider whether the onus should be on the person whose name is on the list to prove that he has a right to stay there or whether we should put the onus on the one who is contesting. It seems to me that it might be preferable, in order to strike off a name that has been put on the list by presumably independent enumerators, to have a hearing and not merely a filing of an affidavit. At the present time it appears to be the other way around. It is not in accord with the usual practice that a judgment goes against the elector unless he proves affirmatively that it should be given in his favour. Apparently that is the way the law reads at the present time.

The hon. member has suggested that it might be possible for the electoral officer now to appoint revisers to sit tomorrow and Sunday. I am not sure that that can be done. However the suggestion is one that the chief electoral officer will consider, and I am sure that anything that he can do he will be only too happy to do, because I think we all feel that that is his attitude with respect to the administration of the act.

Mr. HEON: Will the minister agree with me that, not only for next Monday but for any future election, we should not disfranchise a man on the strength of an affidavit unless the man who is threatened with disfranchisement has a hearing?

Mr. ST. LAURENT: I think the burden on the one contesting the right to have a name on the list should remain with him, and that he should not have the name struck off until he has appeared before the revising officer and established that it should be struck off.

Mr. MacNICOL: I am not going to take any part in the argument now before the committee. No one can condone striking names off the list, if they should be on. I merely rose to explain how names are put on the list. According to the act at the present time in a city subdivision two enumerators go together to call on householders and ask for the names in a house. Unquestionably enumerators have not always done what they should. I have known enumerators to say to each other, "You take that side of the street and I shall take the other." In that way irregularities creep in. Of course they get through the subdivision much quicker. They get seven cents a name, and they earn their seven cents much more rapidly.

The DEPUTY CHAIRMAN: Order. I should like hon. members to keep order. It is most difficult for the hon. member who is trying to speak; I can hardly follow him.

Mr. MacNICOL: I am sure that the committee which has been appointed to make some revision in the election act will take into consideration what has been said by the hon. member for Beauharnois-Laprairie. The chief electoral officer himself, who is thoroughly qualified and eminently honourable, will be of great assistance in assisting the committee to make the changes that should be made. It is a serious offence to strike names off the list. On the other hand, it is the simplest thing in the world to put names on. It is no trick at all to put names on which should not be there, because the enumerators are paid seven cents a name. They are not compelled to make certain that the names which they are writing down are names of people who actually reside in the house or in the apartment. They put the name down. Every hon. member, particularly those representing city ridings, know of many names which have been put on the lists and which should not be put there. On the other hand, there is no defence for striking off names that should be on the list.

The suggestion made by the hon. member for Argenteuil is a good one if it can be carried out. Certainly the house should see to it—if it is at all possible to do it, and surely it is not too late to do it—that every man and woman entitled to vote in the riding of Montreal-Cartier should be given the privilege of voting.

Mr. HACKETT: That there is opportunity for discussing and improving the election act goes without saying, but really that is not

the matter that is before us. The question is, can we do anything to ensure an honest and fair election in the riding which is voting on Monday next? I have not the election act before me. I have taken a hurried look at the National Emergency Transitional Powers Act, 1945, and if the power to correct this hateful situation is not found in that act, it is the only power that is missing therefrom. I think anyone with the ingenuity of some of my hon. friends who sit on the front benches opposite and who develop emergencies with a facility that challenges all rivalry should be able to give us just a wee emergency and do by order in council whatever is necessary to enable the people of Cartier to elect the man of their choice.

Elections, as they are conducted in some parts of the city of Montreal have been a scandal for a long time. That is no secret; it is a source of regret to many people. Those people are not restricted to those who sit on the left of Mr. Speaker. I know that hon. gentlemen who sit to the right of Mr. Speaker regret the practices which are indulged in, and I certainly hope that some way will be found between now and Monday morning to make these lists complete.

Extraordinary powers are given to the chief electoral officer. Whether or not they extend far enough to enable him to revise these lists in the emergency which has been set forth by the hon. member for Beauharnois-Laprairie, I cannot say, but here is an opportunity for an excellent piece of work if it be undertaken expeditiously. I am sure that all members of the house as well as the population of the country at large would rejoice if they knew that the practices which have prevailed in the past could not be indulged in with success and impunity.

Mr. ABBOTT: May I say a word before the hon. member for Yorkton gets up. An undertaking was given yesterday evening, or there was an understanding, that we would adjourn at six o'clock today to meet the convenience of certain hon. members, but I think I must point out that we may have to sit this evening. I take it that the house would be prepared to do so, because it is important that interim supply should go through today.

Mr. CASTLEDEN: It seems to me that if governments make mistakes we shall be a little better off if they do not make the same mistake twice. I refer to the Montreal elections, which are gaining quite a reputation in Canada. This is not the first time that things have happened in exactly the same way in the same constituency. In 1943 the hon. member for Rosetown-Biggar brought up similar charges on the floor of the house, and it would seem to me only the part of wisdom that great care should be taken by the officials to have special provisions made in order to ensure that this kind of thing shall not be repeated. It appears to me at any rate that there are persons in that constituency and that part of Canada who are interested in preventing the democratic processes from operating, and that is a serious offence. After the suggestion made by two hon. members, offices should be immediately opened to make it possible for every resident eligible to vote to be given an opportunity to vote on Monday next. If that is done we shall have gained something. I seriously suggest that in the future the house undertake some changes in the election act which will make it a serious offence for persons to interfere with the operations of democracy in this way.

Mr. GRAYDON: If we have had enough of Cartier, we might come back to finance. May I ask the minister why there is a distinction between the estimates calling for one-twelfth in interim supply and those which call for one-sixth?

Mr. ABBOTT: The bill which will be based on this resolution is in the usual form. We are asking for one-sixth of all items to be voted in the main estimates for the fiscal year 1947-48, which begins on Tuesday next, and one-sixth of the two items in the supplementaries for 1947-48, tabled in the last couple of days, and an additional one-twelfth for certain special items which are listed in schedule A of the bill. These are items totalling almost $15,000,000, included in agriculture, legislation, mines and resources and trade and commerce. They are items such as experimental farms, legislation—that is, the House of Commons and the Senate—mines, and geology branch of mines and resources, and trade and commerce, where an unusually large portion of the total year's vote is expended in the early months of the year. For instance, in geology, they send out surveys early in the year, and in the case of experimental farms expenditures for seeding are made early. A substantial part of the votes is required early. The total is relatively small, $19,000,000 in all, and we ask there for sufficient supply for three months, and in the other case for two months.

Mr. GRAYDON: The Secretary of State for External Affairs is in the house but not in his place. I wish to ask one question in connection with the estimates of 1947-48 in his department. I have tried to find an estimate which covers the organ formerly

known as Canadian information services, but I do not find it in the estimates of 1947-48 in external affairs, nor have I found it in any other item. Can the minister enlighten me?

Mr. ST. LAURENT: I would have to ask the officers of the department to give me the information in that regard. When the estimates for the Department of External Affairs were made up the transfer had not been accomplished. They were made up at a time when the Canadian information service was not a part of the Department of External Affairs. My impression is that in the ordinary estimates for 1947-48 of external affairs there would not be an item applicable to Canadian information service. There must be in some other chapter of the estimates something that had been prepared for them and I shall have to find out where that is and give the information.

Mr. GRAYDON: In the order in council of February 5 of this year, when the Canadian information service was finally transferred, or when its function was transferred to the right hon. gentleman's department, there was a provision that the money which was provided for the old Canadian information service should be used for the information services now to be controlled and directed by the Department of External Affairs. My understanding at the time was—I have not the order in council before me at the moment—that it applied to the year ended March 31, 1947. It would seem that the money voted for the Canadian information service for 1948 must be on the loose, so to speak, and perhaps the minister is quite right in suggesting that his officials should look into the question and on another occasion he could advise me where that money is, the amount, and why for the coming year it is not part and parcel of the external affairs estimates.

Mr. ST. LAURENT: The hon. member is quite right. The order in council provided for the transfer of such money as had been appropriated for the service up to March 31, 1947, but of course it could not affect the fiscal year 1947-48 because there had been no money appropriated by parliament for 1947-48. However I will find where provision is made in the estimates now before the house for 1947-48 for that service.

Mr. DIEFENBAKER: There is an item I should like to secure some information on. I asked certain questions on it three weeks ago, to be exact, on March 7, and as yet no information has been forthcoming. I am not going to refer to any previous debate; I am just going to bring to the attention of the minister the questions I then asked. I refer to the question regarding the further expenditures to be made by the federal authority to the provinces in connection with the dominion-provincial offers of December last. Your Honour will recollect that the original offer made to the provinces in 1947, or rather the original cost, was $86,200,000, making, together with statutory subsidies and moneys collected by the provinces, $124,900,000. The last offer that was made in the month of December raised the offer to the provinces by approximately $100,000,000 in excess of the original proposal made to the provinces in 1945.

From 1945 on, from the time of that offer, until December, 1946, from time to time the ante was raised or the amount of the offer to the provinces was increased. All throughout the piece the attitude taken by the dominion government and its representatives was that social security measures to be provided by the federal government would remain the same as under the offer of 1945; in other words, that social security measures and public investment measures as comprised in the original offer of 1945 would continue to be the basis. Then certain settlements were made with the provinces; certain of the premiers of the provinces settled with the government on the basis of the offer in December, 1946. It was generally assumed that the social security measures originally promised in the 1945 plan would be the same, but when the minister spoke in the city of Toronto on January 27, 1947, he said:

> I wish to make it equally clear that the overall commitments of the dominion are not being increased.

That is under the December, 1946, offer.

> As a result of increased rental payments from the dominion, the provinces will be able to assume, and must expect to assume, a somewhat greater financial responsibility. The dominion government will be able correspondingly to reduce some of the burden which it was prepared to assume for a public investment and social security programme.

Through you, sir, I say to the minister that, as far as I am able to see, this was the first time any suggestion was made that the original offer of 1945 to the provinces covering public investment and social security was being altered. I ask the minister this question: Is it intended that some change be made in so far as public investment and social security is concerned? On the proposals that were made initially in 1945 certain of the provinces signed. Were they given to understand—and we will take Saskatchewan and Manitoba as an example—

Mr. ABBOTT: My hon. friend knows the agreements were on the basis of the budget offers of 1946.

Mr. DIEFENBAKER: They signed on the basis of the budget offers of 1946?

Mr. ABBOTT: Of June, 1946.

Mr. DIEFENBAKER: Then did any other province sign in December, 1946, or January, 1947, on any other basis than the budget offers of 1946?

Mr. ABBOTT: Nobody has signed yet. I will answer my hon. friend in a minute. I will answer in one piece.

Mr. DIEFENBAKER: All right. In answering that, I would ask the minister to explain what he meant on this occasion when he spoke in the city of Toronto, because certainly the speech was carefully prepared.

Mr. ABBOTT: That is right.

Mr. DIEFENBAKER: And delivered.

Mr. ABBOTT: As all my speeches are.

Mr. DIEFENBAKER: Yes, as all my hon. friend's speeches are.

An hon. MEMBER: They are eloquent.

Mr. DIEFENBAKER: Yes, that is true. What did the minister mean by that? Is it intended that the provinces shall assume a larger share of old age pensions in return for the larger grants that are made in the offer of December, 1946? And in respect of what will the provinces be required to assume, to use his own words—

Mr. ABBOTT: "Somewhat greater financial responsibility".

Mr. DIEFENBAKER: Yes, "somewhat greater financial responsibility". Sir, the minister was able to quote those words, which indicates that particular emphasis must have been intended in the use of the words, particularly as he remembers them.

Mr. ABBOTT: Not necessarily. I have an excellent memory, and I heard my hon. friend read them just two minutes ago.

Mr. DIEFENBAKER: Well, I read the same excerpt three weeks ago, and it is a matter which is of great interest. I should like to hear what the minister has to say.

Mr. ABBOTT: I shall be very glad to answer. Unfortunately I was not in the house when my hon. friend made his speech, and I had really thought I might discuss this matter in some detail, as I shall no doubt be called upon to do, when I bring in a bill to authorize the execution of agreements with those provinces which have decided to enter into them. However I am prepared to answer my hon. friend now.

I make the obvious statement first, that I meant exactly what I said in the speech in Toronto and in a statement which I think I gave to the press a bit earlier. If I may paraphrase what I said or elaborate what I said, it is this. As my hon. friend has pointed out, the social security and public investment proposals which were put forward in 1945 were of a sweeping and comprehensive nature. They included old age pensions, public investment, a proposal for health insurance, health grants, assistance in building hospitals and so on. They covered a wide field. My hon. friend has mentioned that the increase in the dollar cost of the offers originally made by the dominion in 1945 to the final alternative options in 1946 was something of the order of $100,000,000, and I think that is about right. I think the minimum payments under the original green book proposals were of the order of $124,000,000; and I think the estimated payments, not the minimum payments, in 1947, if all the provinces came in, would be of the order of $224,000,000, although I think the minimum would have been about $206,000,000. However the minimum payments provided in the budget offers of my predecessor in June of 1946 were of the order of $188,000,000 if my memory serves me aright; the increase involved in the revised or alternative options of December, 1946, was something of the order of $26,000,000. I meant in my speech to which my hon. friend has referred that this additional $26,000,000 which was being added to the minimum payments to be made to the provinces under the terms of the revised offer, would have to be taken into account when we came to sit down—if we do sit down, as I hope we shall—to consider these wider proposals. I do not say they will be taken into account in old age pensions; I do not say they will be taken into account in public investment; I do not say they will be taken into account in health insurance, health grants or any other of the wide variety of proposals. But I do say that the approximately $26,000,000 should be taken into account when we sit down with the provinces to discuss these various measures and to decide the apportionment of the cost of them.

Mr. DIEFENBAKER: If I may say so, Mr. Chairman, that does not quite cover the situation. The minister has given a very good and lucid statement, but certain provinces

have agreed to accept the offer of December, 1946. All right. Now, when those provinces agreed to accept that offer, which included $26,000,000 over and above what had previously been offered, at the time they agreed to the acceptance were they advised that because they were going to receive more than some had agreed to accept earlier, by the agreements they signed, they would thereby be expected to assume a somewhat greater financial responsibility for the public investment and social security programme that was originally brought to their attention? That is the simple question; were they advised of that?

Mr. ABBOTT: I would not say they were formally advised. Of course all the provinces which discussed entering into these agreements brought up the question as to what was the position of the government with respect to the other proposals, social security, public investment and the like. That position was made perfectly clear first, I think, if my memory serves me right, in a telegram sent by the Prime Minister to the Premier of Saskatchewan sometime in July. Of course I cannot quote the terms of the telegram, but no doubt my hon. friend is familiar with it. The gist of it was that the dominion adhered to its original plan, but that of course it could not be implemented until a sufficient number of provinces had evinced their willingness to enter into the taxation agreements. When the dominion increased its original offers by about $26,000,000, if my memory serves me right, and I made the statement to the press—the house was not sitting at the time—that statement was in approximately the same terms as the speech I made later in Toronto. I am speaking from memory and I would not be sure; it could be easily verified, but I think it will be found I made that statement at the same time.

Mr. HACKETT: Was the statement in January?

Mr. ABBOTT: I cannot say from memory; perhaps it was.

Mr. DIEFENBAKER: There is just one thing more. As far as the communication in July, 1946, to the government of Saskatchewan is concerned, that really does not enter into what happened at the time the government of Saskatchewan and the government of Manitoba and the other governments agreed, in December, 1946 and January, 1947, to accept the new offers amounting in all to an increase of $26,000,000. What I want to get from the minister is not what he told the press, because, as I remember it, what he told the press and what he said in the city of Toronto in his speech to the board of trade on January 27, both occurred after the provinces agreed to accept the new offer.

Mr. ABBOTT: That is right.

Mr. DIEFENBAKER: That being so, what my hon. friend said to the press and what he said in Toronto would not have been communicated to the provinces that agreed to accept the new settlements, unless he so advised them.

Mr. ABBOTT: That is right.

Mr. DIEFENBAKER: Then the simple question is this. When the various provinces agreed to the new proposals in December or January, were they advised before they agreed to accept those proposals that, since they were getting this extra amount, they must realize that they would be able to assume and must expect to assume a greater financial responsibility in reference to social security and public investment than was contained in the original proposals, which in turn were confirmed as far as Saskatchewan was concerned by the telegram of the Prime Minister in July, 1946? That is all I am asking.

Mr. ABBOTT: Yes, and I answered that by saying no, they were not formally advised; that is in relation to social security, public investment and the whole field of proposals in that category.

Mr. DIEFENBAKER: Well, were they informally advised?

Mr. ABBOTT: It was taken for granted, of course, that they would have to do that.

Mr. DIEFENBAKER: That is what I am trying to get at. The provinces agreed before the minister made his statement to the press in January.

Mr. ABBOTT: That is perfectly right; they have agreed to enter into certain taxation agreements, and I answered my hon. friend by saying they were not formally advised, that when we sat down to consider these wide and comprehensive proposals, the extra $26,000,000 would have to be taken into account in apportioning the extent to which a province, for instance, would participate in health grants or health insurance or any of the other proposals. That is perfectly right.

Mr. DIEFENBAKER: The minister is very frank, and I thank him.

Mr. ABBOTT: I thought my words were perfectly clear in the statements I made in both places.

Mr. DIEFENBAKER: Oh, but that is exactly the point. The statement as to the conditions in respect of the payment of the extra $26,000,000 to the provinces is not communicated to the provinces at the time they agree to the new proposals, and no reference is made to it until some two, three or four weeks after the provinces have agreed to accept those proposals. That is the point I am making. Certain provinces agreed to accept the new proposals in December and January, 1947.

Mr. ABBOTT: That is right; and they are in the process of authorizing them in the various legislatures now.

Mr. DIEFENBAKER: Yes. Thereafter the minister took the position that in return for the extra $26,000,000 they would be expected to assume larger responsibilities in connection with social security and public investment than had been accepted as their responsibilities from 1945 on.

Mr. ABBOTT: Yes, but which had not been accepted, if my hon. friend will forgive me.

Mr. DIEFENBAKER: That is so, but which had been founded as the basis of the dominion proposals.

Mr. ABBOTT: Yes.

Mr. DIEFENBAKER: The point I am making is this. The basis of the dominion proposals was that the provinces, in return for certain rentals, would have certain social security and public investment responsibilities assumed by the dominion government.

Mr. ABBOTT: No; I must correct that. The revised budget proposals were these; that in consideration of certain rental terms the provinces were to surrender certain tax fields, and the Prime Minister assured them that if and when a sufficient number of provinces entered into that agreement the dominion would be prepared to reopen the discussions with the provinces at another conference, or otherwise, in regard to the social security, public investment and other proposals of the original conference of 1945. The dominion is still ready and anxious to do that.

Mr. DIEFENBAKER: And willing to found any representations or plans it puts before the provinces at this new conference absolutely on the original proposals regarding social security and so on?

Mr. ABBOTT: Well, in simple language what it means is that in sitting down to discuss these wide and varied social security proposals, public investment proposals and the like, the dominion government says "The taxpayers of Canada are not putting up the $26,000,000 twice. That has to be taken into account." I think that is a perfectly fair position to take, and one which should be taken. The amount obviously is not very large. It does not bulk largely, for instance, in a comprehensive contributory old age pensions plan payable to all persons at the age of seventy. But even in these modern days an additional $26,000,000 is an appreciable sum of money, and the provinces will have that amount over and above what was contained in the budget proposals of 1946.

Mr. DIEFENBAKER: Then this is clear, to make it equally simple; that in return for this extra $26,000,000 the original proposals of the dominion as to social security and public investment will be reduced by that amount?

Mr. ABBOTT: Well, I will not say they will be reduced by exactly $26,000,000, but I will say that in the wide and sweeping programme which, if it were fully implemented, I am told would involve something in the nature of $400 million a year—perhaps I had better not quote figures too glibly, but I believe it is something on that order—

Mr. DIEFENBAKER: I thought it was $600 million.

Mr. ABBOTT: It depends on what basis you put it. In any event it involves some hundreds of millions of dollars a year, covering various and varied activities such as old age pensions, health insurance, health grants, assistance in the building of hospitals, and so on. My statement was that this $26,000,000 would have to be taken into account. If a province is in a better position, as a result of these increased offers, to provide assistance for the building of its own hospitals—I take that as an example—it could be a sweeping and comprehensive programme, but in essence my statement is that the $26,000,000 must be taken into account so that the taxpayers of Canada do not have to provide it twice.

Mr. DIEFENBAKER: As regards the provinces which are to be expected to take that $26,000,000 into consideration, those which have agreed to sign did not know that that was a condition before they agreed? That is correct, is it not?

Mr. ABBOTT: I think that is probably correct.

Mr. HACKETT: I understood the minister to say that the second offer included about $100 million more than the first; is that correct?

Mr. ABBOTT: Which offer is my hon. friend referring to?

Mr. HACKETT: I am referring to the one which was made, as I understand it, in December.

Mr. ABBOTT: Is my hon. friend referring to the budget offer? I will put it in that way.

Mr. HACKETT: I am taking the budget offer as a basis.

Mr. ABBOTT: The second offer was about $26,000,000 more.

Mr. HACKETT: To what extent would the $26,000,000 be reduced by the conditions which were attached to it, at least in the minister's mind?

Mr. ABBOTT: I am afraid my hon. friend will have to elaborate his question. I may be stupid, but I do not understand it.

Mr. HACKETT: I understand from the discussion which has been going on between the minister and the hon. member for Lake Centre, that the basis of the second offer differed from that of the first and that, as a consequence, there would be deductions which would be made from the second offer.

Mr. ABBOTT: No, I did not say that. Perhaps I had better make clear what I was trying to say at any rate. I said the offer of December, 1946, differed from the budget offer of June, 1946, only in the manner in which the minimum payments to the provinces were calculated; that was the only difference between the two offers. There was no difference in principle; it was simply a difference in the method or manner by which the minimum payments to the different provinces were arrived at. As a result of adopting that different method of minimum payments to the provinces, there was an increase of some $26,000,000 over the original budget offer. I answered the hon. member for Lake Centre by saying that if and when we come to sit down to discuss this wide field of social security, public investment and other proposals, that $26,000,000 will have to be taken into account in arriving at the basis upon which the costs of these proposals will be shared by the dominion and the provinces.

Mr. HACKETT: If the first offer had been accepted, the $26,000,000 would not have been taken into account?

Mr. ABBOTT: That is correct.

Mr. FLEMING: It begins to appear that the provinces which have signed agreements on the basis of the acceptance of either the second or the third of the three offers made by the government are no farther ahead by reason of having done so, if there is to be an agreement eventually with respect to full social security and public investment. The minister has used the expression "if and when" in referring to the time when the provinces might be called into meeting again to discuss these other questions. Will he be a little more explicit as to the "when"? When is it the intention of the government to call the provinces into meeting again to discuss these matters of social security and public investment, and on what conditions will it be done?

Mr. ABBOTT: I think that question has been answered already by the Prime Minister who is the appropriate one to answer it. In essence—and again I have to paraphrase because I did not come prepared to debate dominion-provincial relations and I must speak from memory—it would be when a sufficient number of the provinces have evinced a willingness to enter into taxation agreements. Then the dominion will, without delay, convene or invite the provinces to confer on these questions of public investment and social security. I think it should be fairly obvious to most hon. members that it is hardly feasible to do that so long as the two largest and wealthiest provinces feel that it is desirable and in their own interests to arrange their fiscal affairs in their own way. That is a matter of opinion.

Mr. FLEMING: If the minister will pardon me, his last answer leaves two questions still open. First, he said when a sufficient number of provinces have indicated a willingness, and he elaborated on that. As I interpret his remarks, he would not have a sufficient number of provinces as long as Ontario and Quebec do not accept the proposals.

Mr. ABBOTT: Yes, that is inevitable. I do not know that the Prime Minister said all the provinces because he might have had in mind, for instance, the possibility of one of the smaller provinces not coming in for one reason or another, and that that would not prevent the holding of a conference to discuss these other proposals. In my judgment, such a conference could produce no useful result unless the greater number, if not all the provinces, were in agreement on the taxation question.

Mr. FLEMING: There is another question that still seems to be left in the air. How many provinces will you call in when the dominion government considers that enough provinces have entered into agreements and that there is to be a conference of the provinces?

Mr. ABBOTT: My hon. friend is asking me a question which should more properly be addressed to the head of the government. If he wants my own view I would think that all the provinces would be called to such a conference, or at any rate all the provinces which had entered into agreements. It is difficult, in fact it is almost impossible to embark on a social security scheme on a provincial basis. The whole plan which was put forward to the conference in 1945 was for national social security measures and old age pensions on a national basis.

Mr. FLEMING: I think the government should be absolutely explicit in connection with this matter. The Minister of Finance has indicated that some of the questions which I have asked and which are troubling many people in this country can be answered only by the Prime Minister. The fact of the matter is that we have been trying to obtain information on these important points and we still lack essential information. I draw the attention of the committee to the language of the speech from the throne. We have had occasion already to complain about its ambiguity, and I quote from page 3 of *Hansard* as follows:

Once suitable financial relationships have been arrived at with the provinces—

We are not told how many, whether it has to be all or just some.

—my ministers have undertaken to seek, in a general conference or otherwise, to work out satisfactory arrangements with the provinces—

Presumably all, but we are not told.

—in regard to public investment and social security measures.

I put it to the Minister of Finance that the government owes an obligation to parliament and to the people of Canada to make it perfectly clear right now as to the terms upon which it is prepared again to summon a general conference of the provinces. I do not think the people of Canada are prepared to wait indefinitely for action in this respect and action cannot be taken until the dominion government participates. It has to take action. These matters of public investment and social security cannot just be left in the air. These problems will not be solved until such a conference is called. It is implicit in the remarks of the minister today and it is implicit in the speech from the throne that a conference must be called by the domnion government. The responsibility for our not having arrived at the necessary decisions with respect to these important fields of social security and public investment rests squarely upon the shoulders of the dominion government.

Mr. ABBOTT: I will answer that and I will answer it at once. In the first place, this house will have full opportunity to debate dominion-provincial regulations when the bill to authorize taxation agreements with such provinces as have evinced a desire to enter into such agreement is introduced. As to the duty of the dominion government to convene dominion-provincial conferences, there is no such duty. There is nothing in our constitution about convening or convoking dominion-provincial conferences, and no province is compelled to attend one. All that the dominion government can do is to invite the provinces to attend a conference. The dominion government has invited the provinces to attend conferences to settle this question of taxation, social security and the like on two occasions, first in 1941 and second in 1945, and every member of the house is familiar with the results of those two conferences.

My hon. friend says there is a duty in the dominion government to state when it will convene a conference to discuss social security proposals. He quoted from the speech from the throne, which is fairly specific, and if I recall correctly, the Prime Minister, when asked a question, answered along the same line. I am not in a position to speak for the government on that point, but I will say this, that I can see no purpose that can be served, nor do I think the dominion government should take the responsibility of calling a conference—

Mr. DIEFENBAKER: Who else could call it?

Mr. ABBOTT: I can see no purpose in calling a dominion-provincial conference until at any rate the majority of the provinces and most certainly the two wealthier provinces have indicated that they are prepared to enter into taxation agreements, because otherwise any such conference would be perfectly futile. The dominion government could not possibly assume the responsibilities which are involved in the social security and public investment proposals unless it had these great fields of income and corporation taxes. That is the answer to my hon. friend. If I may say so, the responsibility for the failure to reconvene the conference, if any opprobrium attaches to anyone, rests on the provinces which, no doubt for excellent reasons of their own, have not seen fit to enter into taxation agreements.

Mr. FLEMING: Does the minister suggest for one moment that the provinces or any province could call a dominion-provincial conference?

Mr. ABBOTT: Why not?

Mr. FLEMING: Is the minister serious? This is a serious matter for the people of Canada who are looking for some settlement of these questions of social security and public investment, which are important for the future of this country. Does the minister seriously suggest that a province could call a dominion-provincial conference, and will he go farther and say that if any province or provinces call a dominion-provincial conference now, the dominion government would attend to discuss questions of social security and public investment?

Mr. ABBOTT: Perhaps it would not be appropriate for a province to call a dominion-provincial conference. Perhaps that is right. But I answer my hon. friend by saying this. I will repeat what I said a moment ago, but let me preface it by saying that I am just as conscious as any other member of the house of the importance of getting what I believe to be a sound fiscal structure in this country. I have spent a good deal of time in the past few months trying to accomplish that purpose, without complete success, I must confess. I feel that the fault is not entirely mine at any rate, but that is a matter of opinion. I say this, that in my view the dominion has discharged its full obligations in this regard. It has tried on two occasions by the conference method to arrive at a solution of these fiscal problems, but for reasons which were stated by my predecessor in his budget speech of last year in far better terms than I could use, we were not successful. So we took the other method and made our own proposals to the provinces. Those proposals were optional. Any province which felt that it could do better for itself by not accepting them could follow that course. The result has been that so far certain provinces have felt that it was in their interests to enter into taxation agreements. Others have not. I do not quarrel with that position. But I do say that the dominion government has done its share, and until there is greater evidence on the part of some provinces that they feel a plan of this kind is satisfactory and desirable I can see no purpose in calling another conference.

Mr. FLEMING: It seems to me that there is a conspicuous flaw, if I may say so, in the reasoning which the minister has offered to the committee. He said that a conference was called and that it did not succeed. He will well recall that at that conference certain proposals were made by the dominion government. The conference adjourned. And now what the dominion government has done has been to change drastically its own proposals on at least two occasions.

Mr. ABBOTT: Just by increasing the amount.

Mr. FLEMING: The proposals which were put before that conference and on which the conference did not reach agreement are vastly different from the proposals which have been made from time to time since by the dominion government. Yet the excuse—I cannot give it any higher name—which is offered by the dominion government for its failure to reconvene a conference that is vitally necessary in the interests of the nation is that the proposals submitted to the conference nearly a year ago were not accepted. The dominion government has departed far from its own proposals made to that conference, and yet it persists today in refusing to reconvene the conference to consider other proposals when it itself has drastically changed the proposals it made to the conference at that time. I do not hold the present minister entirely responsible in this matter. The failure to arrive at a necessary decision at that time was attributable directly to the inflexibility of the proposals submitted by his predecessor—

Mr. ABBOTT: No such thing.

Mr. FLEMING: —and the rigidity with which his predecessor approached this question, not in any spirit of compromise, not in the kind of spirit that brought about confederation, but in a rigid, uncompromising, take-it-or-leave-it attitude. Quite frankly, those of us who know the present Minister of Finance do expect of him something better than the rigid and uncompromising attitude taken by his predecessor in this matter, and we are going to be sorely disappointed if the present minister follows his predecessor's rigid and uncompromising refusal to reconvene the conference on up-to-date terms when his government has departed so drastically from the terms which it submitted to the conference last year.

Mr. ABBOTT: Mr. Chairman, I am sick and tired of hearing people talk of the uncompromising rigidity of my predecessor. It is nothing but a catch-cry, and it is used by people, I regret to say, for political purposes. There was no uncompromising rigidity about the present Minister of Justice. He made concession after concession during the course of those negotiations from August, 1945, until the conference broke down in May, 1946, and anyone who tries to contradict that is simply not talking in accordance with the facts. I

am also sick and tired of hon. members opposite trying to picture me as the little fixer who will concede everything.

After that outburst, Mr. Chairman, although I should like to go on debating dominion-provincial relations and conferences and so on for an unlimited length of time, I would point out that at the moment we are trying to get through interim supply. I am in no hurry. I do not know whether the house wants to sit after six o'clock tonight. But I have to get this interim supply and the supplementary estimates through. I should have said in my preliminary statement that in voting this interim supply and the supplementary estimates I give the committee the same undertaking that has always been given, namely, that it is without prejudice to the rights and privileges of every hon. member to discuss any item in the estimates which will come up for discussion from time to time throughout the session. The usual undertaking is hereby given that such rights and privileges will be respected and will not be restricted in any way as a result of the passing of these supplementary estimates. That is the usual undertaking, and of course I renew it now.

Mr. GILLIS: We have been talking all afternoon about dominion-provincial relations. Has the government come to any understanding with Nova Scotia with regard to signing an agreement?

Mr. ABBOTT: Not yet.

Mr. GILLIS: Then you have a Tory premier down there.

Resolution reported, read the second time, and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the committee go into committee of ways and means.

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

Mr. ABBOTT: Mr. Chairman, I desire to move the following resolution covering the amounts dealt with a few moments ago in committee of supply.

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1948, the following sums be granted out of the consolidated revenue fund of Canada, namely, first, the sum of $190,921,733.56, being one-sixth of the amount of each of the estimates as set forth in the main estimates for the fiscal year ending 31st March, 1948; second, an additional sum of $1,246,374.91, being one-twelfth of the amount of each of several items of the main estimates for the fiscal year ending 31st March, 1948, as set forth in the resolution concurred in this day in the committee of supply; third, the sum of $1,016,666.66, being one-sixth of the amount of each of the items as set forth in the supplementary estimates for the fiscal year ending 31st March, 1948.

Motion agreed to.

Resolutions reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 107, for granting to His Majesty certain sums of money for the public service for the financial year ending 31st March, 1948.

Motion agreed to and bill read the first time.

Mr. ABBOTT moved the second reading of the bill.

Mr. GRAYDON: I just wish to elicit from the minister the usual undertaking that this bill is on all fours with similar bills passed in previous sessions. In the limited time we have at our disposal it is not necessary to go over it in detail so long as the minister gives us that undertaking.

Mr. ABBOTT: It is in the same terms as bills passed in previous years save, of course, possibly in the amount granted. It is in exactly the same terms as other bills.

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

Sections 1 to 6 inclusive agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF AGRICULTURE

Administrative service—

611. Departmental administration — further amount required, $3,200.

Mr. KNOWLES: Just before you start with these items, Mr. Chairman, and in view of the misunderstanding we had earlier today, can it be clearly understood that dealing with these items does not constitute the opening of any of the departments so far as the main estimates are concerned?

Hon. DOUGLAS ABBOTT (Minister of Finance): I give that assurance readily, Mr. Chairman. I give the same undertaking with respect to these items, that passing them does

not preclude discussion of each item on the main estimates. They are the final supplementary estimates for last year.

Mr. GRAYDON: That does not apply to this item, because it will not be in the estimates this year. Last year's estimates have been passed.

Mr. ABBOTT: I can make an explanatory statement.

Item agreed to.

Special—

616. Prairie Farm Assistance Act administration—further amount required, $42,500.

Mr. GRAYDON: Is this all in western Canada?

Mr. GARDINER: Yes.

Mr. GRAYDON: The suggested extension of the act has not been passed by parliament and does not yet apply to the east.

Mr. GARDINER: This is for prairie farm assistance.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

Canadian contributions to international commonwealth organizations—

621. Commonwealth communications council, $6,100.

Mr. GRAYDON: What does this comprise?

Mr. ST. LAURENT: The commonwealth communications council is the administrative body for the commonwealth network of cable and wireless. It has been estimated by the United Kingdom government that £40,000 will be required to cover expenses.

Item agreed to.

622. United nations organization working capital fund, $201,000.

Mr. GRAYDON: Have other nations made their full contribution to this fund or are there any nations in arrears?

Mr. ST. LAURENT: I would not like to say that there are no nations in arrears. At the time of the general assembly there were some small sums in arrears, but a very insignificant portion. The reason for the supplementary estimate is that when the original working capital fund was set up it was intended that it would be used for the first year's contributions to the united nations. At the general assembly, however, it was decided to continue that fund at least for one year more, reducing it from $25,000,000 to $20,000,000, so that our portion of the assessment requires this further additional sum. But it remains to our credit for future contributions to the costs of the assembly.

[Mr. Abbott.]

Item agreed to.

625. International commission on air navigation—further amount required, $2,400.

Mr. DIEFENBAKER: Within the last few days there has come from Washington word that a bilateral agreement in regard to passenger airways has been negotiated between the Canadian government and the state of Peru whereby certain airways will operate between Canada and Peru, and the Peruvian airways will have the right to enter Canada. Has an agreement been negotiated or completed whereby airways will operate between Peru and Canada, and what concessions if any are being granted to the Peruvian company?

Mr. HOWE: To the best of my knowledge no agreement has been entered into as yet with the government of Peru. Negotiations are taking place. The proposal is with regard to the fourth freedom. There will be mutual exchange under the fourth freedom and the Peruvian airways will have the right to land in Canada and deliver passengers from Peru destined for Canada and to pick up in Canada passengers destined for Peru. That is the fourth freedom agreement, and that is the basis of the agreement at present under discussion.

Mr. DIEFENBAKER: Is it intended that airways between Peru and Canada will be operated by the Peruvian government or by a company organized under the laws of Peru?

Mr. HOWE: It is a company organized under the laws of Peru. The question of ownership has been examined both by the United States and by Canada and we are satisfied that the position of ownership complies with the Canadian regulations.

Mr. DIEFENBAKER: Under the Canadian regulations, as I understand, it is necessary that a company coming into Canada be owned seventy-five per cent by the nationals of the country under which it is incorporated. Am I correct in that? Is that not a matter of agreement between the nations?

Mr. HOWE: No. The exact wording is that it shall be substantially owned and effectively controlled, but the seventy-five per cent is not mandatory. There is flexibility in that. In the case of Peruvian airways, we are satisfied that it is substantially owned and effectively controlled by the state of Peru.

Mr. DIEFENBAKER: The information given to me was that the arrangements had

been entered into and approved and that all that remained was the commencement of the communications. Can the minister say when, under the tentative plan, this international airways will commence operations?

Mr. HOWE: I think I would have been informed if negotiations had arrived at anything near that stage. It is possible a temporary permission for a single flight might be granted before the treaty is completed, but so far as I know there will be no operation until the treaty is completed, and I do not think negotiations have been advanced to the point where there is certainty as to when the treaty will be completed.

Mr. DIEFENBAKER: Possibly the Minister of External Affairs will be able to say what the situation is with regard to the treaty between Peru and Canada in reference to this matter.

Mr. ST. LAURENT: There are at the present time no commitments of any kind, and my understanding is that these arrangements are covered by an exchange of notes after the technical arrangements have been worked out by our department in charge of air navigation. There has not yet been any commitment between the governments. The technical features are being discussed between the Department of Transport and the representatives of the Peruvian company. It has not yet reached the stage where it will be dealt with on a diplomatic basis between the two governments.

Item agreed to.

628. Intergovernmental committee on refugees, $8,400.

Mr. KNOWLES: Will the Secretary of State for External Affairs comment on this item and tell the committee what progress is being made by this intergovernmental committee on refugees?

Mr. ST. LAURENT: The intergovernmental committee on refugees is not the international refugee organization but a committee that was set up in 1938 to deal with displaced persons prior to the last war. I can give the hon. member the figure. At the sixth plenary session of the intergovernmental committee on refugees held in London from 16th to 21st December, 1946, final approval was given to the administrative estimates for the year 1947.

The estimated expenditure for 1947, as approved at the plenary session amounts to £94,000. To provide this sum and the necessary working balance, a sum of £117,500 was assessed to the member governments. The total number of units allotted to member governments for 1947, in accordance with the intergovernmental committee's scale, is 792, on which basis the value of a single unit is approximately £149.

The full contribution for 1947 of our government on the normal basis will therefore be £5,215.

It was agreed that, in view of the uncertain duration of the life of the intergovernmental committee, a first contribution of half the amount should be requested, and that is being provided for at this time. It is expected that the international refugee organization will take over all the responsibilities of this previous committee, and it is hoped that may be done before the year is more than half over.

Mr. KNOWLES: That is what I wanted to find out.

Mr. ST. LAURENT: So that there is only one-half of the amount assessed which is being called for at this time.

Mr. COLDWELL: How many nations have already signified their approval of the I.R.O. up to the present time?

Mr. ST. LAURENT: I have not had any information in the last three or four weeks, but the last information we had was that there were thirteen which had approved, and that they were nearing the seventy-five per cent of the amount required to have the organization become effective.

Mr. SINCLAIR (Vancouver North): How does this committee relate to the human rights commission set up by UNO? Where is the connection?

Mr. ST. LAURENT: There would be only a vague connection. The human rights commission deals with principles and recommendations as to human rights in the various countries. This was a committee set up in 1938 to deal with the problem of persons who had become displaced before that date. The problem has become a very much larger one as a result of the war. There has been set up by a certain number of members of the united nations the international refugee organization which is to become operative when signed by fifteen nations, representing seventy-five per cent of the estimated contribution. Although it has not yet become effective, a preparatory commission has been preparing the way. As soon as it does come into effect, it will absorb the responsibilities of the pre-war international committee.

Mr. MATTHEWS (Kootenay East): Does this expenditure on the work of this intergovernmental committee on refugees foreshadow the bringing of refugees into Canada?

Mr. ST. LAURENT: Canada has taken the position that it favours the coming into operation of the international refugee organization, and I think, although it has not yet come into operation and there has not been any quota distributed, it would be safe to say that Canada is quite prepared to do its share in proportion to what will be done by other members of the organization.

Item agreed to.

DEPARTMENT OF FINANCE

629. To provide for deficits on certain accounts of the Canadian wheat board, pursuant to guarantees given by the government of Canada, as detailed in the estimates, $20,562,264.11.

Mr. DIEFENBAKER: I know what the particulars are regarding this; they are set forth on page 12 of the further supplementary estimates; but I do not quite understand how it is that certain of these items are before us by way of supplementary requirements. Is the minister in a position to explain how it is that the wheat board accounts are separated.

Mr. ABBOTT: I shall be very glad to do that. During and since the war, the Canadian wheat board has been engaged in a number of operations in grain and seeds under the authority of various orders in council under the War Measures Act and the National Emergency Transitional Powers Act. In the early stages of the war, deficits arising out of these operations were met out of the war appropriation. Since there is no longer any war appropriation, these deficits must now, of course, be met out of moneys specifically voted by parliament for that purpose.

At the moment, these deficits are being carried by the Canadian wheat board and appear as an asset in the accounts of the board under the heading "Due from the dominion government." I should perhaps add, so that there may be no misunderstanding, that these deficits have nothing to do with the wheat board's ordinary business of buying and selling farmers' wheat. They arose out of emergency operations which have already come to an end.

When these sums are voted and paid over, the government will have settled its accounts with the wheat board as at July 31, 1945, which is the latest date for which the year-end accounts are available.

Item agreed to.

[Mr. St. Laurent.]

DEPARTMENT OF LABOUR

631. Annuities Act—To authorize payment from the government annuities fund to the original purchaser of all payments received for the purchase of Canadian government annuity contract No. 38420 together with interest thereon at 3 per cent per annum for cancellation of said contract, $1.

Mr. SINCLAIR (Vancouver North): Would the minister give an explanation of this most unusual item?

Mr. MITCHELL: It is not so unusual. I do not need to make a speech about it. There was a person who had an annuity of her own, and also an annuity purchased by another, which was not discovered until later. Under the law you may have only one annuity, and there must be a refund.

Item agreed to.

LEGISLATION

633. The Senate. General administration—further amount required, $5,000.

Mr. CRUICKSHANK: May I ask if it is possible to pay this in kind instead of paying $5,000 cash? Could we give them oleomargarine instead?

Item agreed to.

634. House of Commons. General administration—estimates of the Clerk—further amount required, $71,500.

Mr. KNOWLES: I should like to say a word about this item.

Mr. MACKENZIE: May I intervene for a moment? What would be the will of the committee with regard to sitting after six o'clock?

Some hon. MEMBERS: Agreed.

Mr. SINCLAIR (Vancouver North): Come back at eight o'clock.

Mr. ABBOTT: I think it would take us only about fifteen or twenty minutes to finish.

Mr. NICHOLSON: Eight o'clock.

Mr. FLEMING: Suspend the six o'clock rule.

Mr. MACKENZIE: I move that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

Mr. SPEAKER: Mr. Golding of the committee of supply reports that the committee have considered certain items and report progress, and ask leave to sit again. When shall the committee have leave to sit again?

Mr. ABBOTT: Later this day.

Mr. SINCLAIR (Vancouver North): Is this being done by motion?

Mr. MACKENZIE: If my hon. friend objects to it he may say so. I would move that the house resolve itself into committee of supply.

Mr. SINCLAIR (Vancouver North): This is my opportunity to speak to this motion, I presume. Certainly, when the arrangement was first mentioned we hoped that we would be through by six o'clock. The reason we are not through is the obstruction, mainly of the Conservative party, for whom this concession was made. So I see no reason at all why we should not sit tonight. In view of the impending recess, I think we should sit again at eight o'clock.

Mr. MACKENZIE: My resolution should have been that the Speaker do not leave the chair at six o'clock this day.

Mr. SINCLAIR (Vancouver North): My remarks apply, anyway.

And Mr. Speaker having left the chair:

Mr. SINCLAIR (Vancouver North): Mr. Speaker, the motion has not been put to the house. The Minister of Veterans Affairs moved that you do not leave the chair, but surely that motion must be carried.

And Mr. Speaker having resumed the chair:

Mr. SPEAKER: I would call attention to the fact that if it is the wish of the house to go into committee of supply it is not necessary that any motion be put. If hon. members wish to sit after six o'clock there should be a motion.

Mr. MACKENZIE: I did move that Mr. Speaker do not leave the chair at six o'clock.

Mr. SINCLAIR (Vancouver North): I rise to make two points. In the first place, it is not after six o'clock, so that the motion is clearly out of order. My second point is that this was a concession to the Conservative party for their own benefit. To my mind, they could have speeded up the debate this afternoon, but they did not do so. The western members are most anxious to get the debate through and get home, so I suggest that the motion be defeated and that we go on and sit at eight o'clock as usual.

Mr. ABBOTT: Perhaps I might say a word, though possibly it has no bearing. I agree with what my hon. friend has said, that there has been perhaps a little delay this afternoon, but if we could conclude our proceedings before eight o'clock we could get the legislation over to the other place and push it ahead there. I do not know whether this will have much influence.

Mr. SINCLAIR (Vancouver North): Are they sitting at eight o'clock?

Mr. ABBOTT: I could not say as to that.

Mr. MacINNIS: I am not sure of the situation.

Mr. MACKENZIE: My motion would require unanimous consent, and evidently that is not being given.

Mr. MacINNIS: I am not rising to oppose the motion, but I am wondering why we must finish these further supplementary estimates tonight. If it were the supply bill I could see some point to it.

Mr. ABBOTT: I think I can answer my hon. friend. It is partly to accommodate those in the other place, and to enable us to make the necessary arrangements for the royal assent before the adjournment on Tuesday. It is quite true that this is not so essential as in the case of the other bill, but I think it would be a convenience to some of those in the other place if we could get this bill over there. That is the principal reason. I want to get this bill over there before the adjournment Tuesday afternoon.

Mr. MacINNIS: Is the bill not through as far as this house is concerned?

Mr. ABBOTT: No; this is a second bill.

Mr. CRUICKSHANK: Six o'clock.

Mr. SPEAKER: I suggest to the house that I put the motion, or if that is not the wish of hon. members I can call it six o'clock.

Some hon. MEMBERS: Six o'clock.

Mr. SPEAKER: It being six o'clock I do now leave the chair.

Mr. FLEMING: Was the motion withdrawn by the leader of the house?

Mr. MACKENZIE: The motion was withdrawn because, as far as I could see, there was no chance of its passing.

Mr. SPEAKER: I must call attention to the fact that the Speaker did not put the motion.

Some hon. MEMBER: Put it.

Mr. GRAYDON: As far as our party is concerned, it is immaterial what the house decides. It is a straight question of courtesy, and if the house does not desire to extend that courtesy and consideration we have nothing to say, and no objection to sitting again

at eight o'clock. We can sit from eight until eleven o'clock, and it will be quite all right with us.

Mr. GOLDING: I think it only fair that if, as a matter of courtesy, we arranged to adjourn at six o'clock, we should try to carry that out. Hon. members opposite are having their dinner, and I do not think it is fair to sit tonight.

Mr. CRUICKSHANK: If I might ask one question, personally I am in favour of sitting until eleven o'clock, but on the other hand I would go this far, that if the leader of the government gave that assurance to the leader of the opposition I believe we should carry it out.

Mr. SPEAKER: Order. I would call attention to the fact that there is nothing before the house, so that we cannot have any discussion.

Mr. SINCLAIR (Vancouver North): Six o'clock.

Mr. SPEAKER: If it is the wish of the leader of the house that I put his motion I shall do so.

Some hon. MEMBERS: Put the motion.

Mr. SPEAKER: It is moved by Mr. Mackenzie, seconded by Mr. Howe, that Mr. Speaker do not leave the chair at six o'clock. Is it the pleasure of the house to adopt the motion?

Mr. SINCLAIR (Vancouver North): To get back to this matter of courtesy, courtesy works both ways. For the last few days in connection with the control bills we have seen little courtesy displayed in the house. The agreement, which I heard expressed, was that the business would be speeded up so that we would be through at six o'clock. We are not through, mainly because of the attitude of and the questions asked by hon. members opposite. Therefore I see no reason to extend courtesy where courtesy is not extended. So I say no.

Mr. GRAYDON: Might I say one word?

Mr. SPEAKER: Perhaps hon. members would permit me to make a suggestion. The Speaker should be the voice of the house, and I do not want to impose any point of view on hon. members. If it were the desire of the house that the motion be put, then hon. members would have an opportunity of saying "yea" or "nay," or we could have a standing vote, so that we would know what we want to do.

[Mr. Graydon.]

Mr. SINCLAIR (Vancouver North): As I understand it, there must be unanimous consent.

Some hon. MEMBERS: No.

Mr. SPEAKER: Those in favour of the motion will please stand.

Mr. CRUICKSHANK: What is the motion?

Mr. SPEAKER: Those in favour of the motion that Mr. Speaker do not leave the chair at six o'clock will please stand.

Motion agreed to: Yeas, 47; nays, 3.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

634. House of Commons. General administration—estimates of the Clerk—further amount required, $71,500.

Mr. KNOWLES: I wish to say a few words on this item. I regret having to raise a matter like this under these conditions, but it is a subject in which many hon. members are interested, and unfortunately the main estimate covering it is not reached until late in the summer, when it is always difficult to raise the matter. I refer to certain matters in connection with the stenographers who work for members of this House of Commons, and stenographers of this house generally, who are paid out of this vote. There are three points I feel the government should take under consideration.

First of all, something should be done to work out a pension plan for these people. I know the argument that will be advanced from the other side. It will stem mainly from the fact that they are brought in on a temporary basis, that they work for only part of the year, and that some of them do not work very many years. However there are others who have been here for quite a number of years, and I think it is most unfair that people working for the parliament of Canada should in some cases give the best years of their lives and have no opportunity to participate in a pension plan of any kind. As examples of other kinds of government employees who originally were not included in a pension plan I mention the employees of the printing bureau—these are prevailing rates employees —and also the charwomen in the public buildings.

The CHAIRMAN: I think we should stay within the item; the printing bureau has nothing to do with this item.

Mr. KNOWLES: I was merely citing these other cases to make my point that some

people who are not full-time civil servants are brought within government pension regulations.

Mr. MITCHELL: What about the members of the House of Commons? Don't you think they should be included? Be logical about it.

Mr. KNOWLES: Most members of the House of Commons hope to stay here for a long time.

Mr. MITCHELL: Very few of them do. You are due to walk the plank yourself.

Mr. KNOWLES: The minister knows how ridiculous that statement is with regard to Winnipeg North Centre. I am serious in my appeal to the government that they take this matter of a pension plan for House of Commons stenographers under consideration.

The second point I wish to make in connection with the stenographic staff is that provision should be made to pay their travelling expenses at least once a session from their homes to parliament. The general understanding in connection with the stenographic pool is that members are supposed to have an opportunity to have stenographers from their own part of the country, but so long as no travelling expenses are paid, the effect is to limit these jobs to people from the Ottawa area. I suggest that consideration be given to that point.

The other point is of more immediate concern; I refer to the conditions under which the stenographers are working in this building at the present time. Part of this is due to an appeal which was made on the floor of this house, namely, that more rooms be provided for members. That was a justifiable appeal, and it still needs to be met as a matter of fact, but in an attempt to meet that need I understand that the stenographers were crowded into fewer rooms than they had before. This means that a greater number of typewriters are being pounded in one room, and to have to work within such limited space is hard on the stenographers, from the point of view of both efficiency and health. I think consideration should be given to trying to improve the working conditions of these people.

Incidentally, one of the things that we are faced with at the present time is the necessity of having to answer the many letters we are receiving to have the tax taken off soft drinks. One thing that could be done to help these stenographers would be for the government to take action on this matter and relieve members of parliament from the necessity of answering these scores of letters on one subject.

Mr. MITCHELL: The hon. member left out the kitchen sink.

Mr. GRAYDON: He is speaking about a pressure cooker.

Mr. KNOWLES: I have made three points: A pension plan, railway fares, and better working conditions for the House of Commons stenographic staff.

Mr. SINCLAIR (Vancouver North): I wish to support the hon. member for Winnipeg North Centre. Last year I had occasion to refer to some of the matters the hon. member has mentioned, including the status of the stenographers. I referred also to the lack of amplifiers and the lack of library assistants. I had a little difference with the Speaker today, but I must compliment him upon the action he took during the recess to make more offices available to the members. After making that speech, I received considerable protests from the secretarial staff of the house because they claimed that my remarks reflected upon their ability when I said that it was difficult to get good stenographers. One of the difficulties in getting good secretaries is that mentioned by the hon. member for Winnipeg North Centre. We want to bring girls from our own ridings, but we cannot do that at the present time. Consideration should be given to improving the working conditions of our secretaries. They should be provided with a proper civil service status. For our own personal convenience, arrangements should be made to permit us to bring secretaries from our own ridings.

Mr. CRUICKSHANK: I should like to say a word in this connection. Conditions in the stenographic pool would be improved if the eastern members in particular did not use it to conduct their legal, mining and other businesses.

Mr. HERRIDGE: I wish to support the remarks of the hon. members for Winnipeg North Centre and Vancouver North. I have made a little personal investigation in connection with the space provided for the stenographers at the present time. I wanted to make a comparison with what window and floor space was considered proper for chickens, horses, cows and things like that. I wrote to the Department of Agriculture and asked them what window space they considered was necessary for a chicken. About three days ago I received word that the minimum for health and proper working and functioning was one square foot of window space per bird. There is one room in the House in which seventeen stenographers are working, and yet there are only twelve

square feet of window space. That is less than the window space required for a hen, according to the Department of Agriculture.

Mr. CRUICKSHANK: I have a solution to offer, and I am serious about this. We are not supposed to refer to the senate. I am not saying anything at all against the staff of the other place, except that they do not do one-tenth the work of the girls who have to work for the members of the House of Commons. Why cannot we take over some of the space used by the other staff? Before I came to Ottawa, I understood that parliament was supreme, that the members ran Canada, and if that is the case—

Mr. BROOKS: You were very naive.

Mr. CRUICKSHANK: Maybe I was. I come from the far west where we are innocent, honest, young and pure.

Mr. SINCLAIR (Vancouver North): That is before we came east.

Mr. CRUICKSHANK: True. I can see no reason—I think hon. members from Saskatchewan and Manitoba will bear me out in this—why arrangements cannot be made to take over part of that space. If necessary, one of the committee rooms or some other room could be taken over and made available for the stenographic pool of the House of Commons. In most cases these girls are working long hours and, as the hon. member for Kootenay West has said, under conditions which would not be permitted in British Columbia for a rooster, let alone a hen.

The CHAIRMAN: Shall the item carry?

Mr. KNOWLES: I think the minister or someone on the part of the government should make some comment.

Mr. ABBOTT: As my hon. friend knows, the government is not responsible for the administration of the House of Commons.

Mr. KNOWLES: We get that all the time. A private member is not permitted to make any motions involving the expenditure of money. How can we have this matter dealt with?

Mr. ABBOTT: Make representations to the Speaker.

Mr. CRUICKSHANK: Could the Minister of Public Works say a word? Surely somebody is responsible for alloting space and seeing that proper conditions exist.

Mr. FOURNIER (Hull): I have no authority over the allocation of space in the House of Commons. The House of Commons is under the control of Mr. Speaker, but very often he consults with public works and a parliamentary committee as to changes to be made. All I can say is that I am ever ready to help in satisfying the requests made by members of the house and in cooperating with Mr. Speaker, if it is at all possible to meet the wishes of hon. members.

Mr. CRUICKSHANK: Again, in order that the record may be straight, our Speaker is not to blame. He has no authority, as I understand it, over that other place which is standing vacant ninety per cent of the time. Somebody must have control over that. It is no use passing the buck to the Speaker because he has no authority over the senate, but somebody must be supreme in parliament and somebody should see that space is not left vacant over there when our staff has to work under conditions as they are at present.

Mr. KNOWLES: The Minister of Finance said we would have to address our appeal to the Speaker. Is it in order for the Speaker to speak now as the hon. member for St. Mary?

Mr. FAUTEUX: With the permission of the house, I would say this, as I have been invited to take part in this debate. Naturally every member wishes to have an office to himself, and the Speaker knows how many members visit him in his office seeking better accommodation. That applies to all parties, but I would say to the house, as I have said to all visitors, that the Speaker can give only what he has. There is no doubt that we have not sufficient accommodation for the members in this House of Commons, not even for the ministers. The Speaker knows to how much trouble he went before the opening of the session to find accommodation to please every member.

I agree with hon. members who have criticized the quarters in which the stenographers are obliged to work just now. I believe that hon. members are right. But again it is impossible for the Speaker to provide better accommodation for these girls because we simply have not the accommodation. Hon. members may know that during last session it happened about a dozen times that a committee was supposed to meet and the chairmen of different committees standing around in the corridors of this House of Commons came to the Speaker to find accommodation because all the regular committee rooms were taken. So I would take this opportunity to call the attention of the minister concerned to the situation to see if it would not be possible to provide more accommodation for the need of members of the house.

Mr. GRAYDON: May I ask the Speaker, before he sits down, a question having to do with another matter? Has any consideration been given by the Speaker or by the government to changing the hours of sitting of the House of Commons? I have a suggestion to make which is strictly personal and informal, since I have not discussed it with anybody except in an informal way. But I think consideration might be given to the House of Commons relegating its old tradition of sitting from three o'clock in the afternoon until eleven o'clock at night. The difficulties of the staff of the house have been mentioned and no one has more sympathy with them than I have, but I think our own position should also be carefully studied. I suggest that we should sit from one o'clock to seven o'clock and then call it a day. In that way we would gain three hours on Wednesday. While my suggestion is purely a personal one, I think it would meet with a good deal of approval from the members generally and it would allow us to live more normal lives in this city. We cannot live an absolutely normal life as members of parliament, but it does seem to me that it is hardly fair to ask anybody to work until eleven o'clock at night, no matter how young or how old he may be.

Mr. HOWE: Dinner time is not such a good time to consider that.

Mr. GRAYDON: The minister looks pretty well fed. I trust that some consideration will be given by the government to that suggestion because I believe there is something in it.

Mr. KNOWLES: I deeply appreciate Mr. Speaker's answering one of the questions I raised. Would he also indicate whether he or the government is giving consideration to the other two points I raised, first, a pension plan and, second, travelling expenses for the stenographers to Ottawa once a year.

Mr. FAUTEUX: If the hon. member will read standing order 89 he will find that it says:

> No allowance shall be made to any person in the employ of this house who may not reside at the seat of government, for travelling expenses in coming to attend his duties.

Mr. KNOWLES: The rules can be changed. That is the answer to that. The other point was the pension plan.

Mr. FAUTEUX: It is up to the house to change the rules.

Mr. KNOWLES: The circle is complete.

Mr. CRUICKSHANK: I should like to say a word in this connection because I think the Speaker sometimes had his fair share of criticism. Last year the hon. member for Vancouver North brought up the question of office accommodation, and I wish to give the Speaker credit for making the best possible use of the office accommodation he had at his disposal this year. I am sorry that the hon. member for Vancouver North did not share in my delightful good fortune, but certainly the Speaker is entitled to credit for the effort he has put forth on behalf of all hon. members.

Mr. SINCLAIR (Vancouver North): Since my name has been mentioned and since I brought this matter up last year, while I did not have the good fortune of my hon. friend the hon. member for Fraser Valley of getting an office to myself, I think the Speaker has done more to satisfy members of parliament with the office space that was available than Speakers have done for some time past.

Item agreed to.

DEPARTMENT OF MINES AND RESOURCES

Lands, parks and forests branch—

638. Government of the Northwest Territories —Airports, roads, buildings and water systems —construction and improvements—buildings—further amount required, $27,400.

Mr. McCANN: The explanation for the additional amount required is as follows: due to expanded mining activities in the Yellowknife mining district and administrative responsibilties in the Mackenzie district as a whole, it is necessary to provide increased living and office accommodation, also additional quarters and guardroom for the Royal Canadian Mounted Police. The construction of buildings was commenced in 1946 but difficulties in purchasing materials and transporting them to various posts prevented the buildings being completed in 1946.

In 1945, the sum of $140,000 was allocated from the war appropriation and subsequently voted as a supplementary estimate for the government of the northwest territories. These funds were made available to the Department of Public Works for dismantling American buildings and salvaging materials for the construction of new buildings. A considerable amount of materials, including over 1,000,000 f.b.m. lumber was salvaged from these buildings at Waterways, Alberta, and Fort Smith, northwest territories. The dismantling of these American buildings was continued in 1946. The sum of $375,700 was provided in the 1946-47 estimates for the construction of departmental buildings.

In 1946-47, the Department of Public Works carried the following building programme for this department:

(a) continuation of the dismantling of buildings at Waterways and Fort Smith. The materials salvaged were bundled, labelled and shipped to Fort Smith, Yellowknife and other settlements for building purposes.

(b) construction of administration building, three residences, and garage at Fort Smith.

(c) construction of administration building, two double duplex apartment buildings and a new liquor store building at Yellowknife. The erection of several Dallas huts and igloos for living quarters and storage of materials at Yellowknife. The construction of wardens' houses and erection of prefabricated warehouses at Fort Resolution, Fort Simpson and Fort Norman. These buildings, although occupied, are not completely finished.

(d) shipment of building materials to Aklavik for the construction of a warden's residence next summer.

(e) distribution of building materials to the Wood Buffalo Park for use by the park wardens in the construction of new dwellings.

The Department of Public Works, which is in charge of actual construction, has reported that this further amount is required to take care of obligations incurred during 1946-47. The cost of building in the Mackenzie district has been much greater than anyone anticipated, but it was necessary to proceed with the programme to house essential departmental activities due to rapidly increasing developments.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

640. Ports, outports and preventive stations, including pay for overtime of officers notwithstanding anything in the Civil Service Act, and temporary buildings and rentals—further amount required, $211,000.

Mr. HAZEN: Did the customs officers who met at St. Stephen, New Brunswick, last summer make any representation to the Minister of National Revenue about their uniforms?

Mr. McCANN: I have no knowledge of any representation being made.

Item agreed to.

Taxation division—

641. District offices—further amount required, $191,000.

Mr. CASTLEDEN: I have a question to ask on this item which has to do with taxation. Farmers in western Canada who delivered grain in 1944 find that they are now taxed on the grain which they delivered in that year, which has increased their income to the point where they become taxable, some of them rather heavily. The grain which they delivered in 1944 was grown in 1942 and 1943. Under the government quota system and regulations, they were not permitted to deliver grain at that time. When they delivered grain in 1944 it put them in an income tax bracket. Because of their desire to help win the war in 1944 and because they held back their grain in 1942 and 1943 they are being heavily penalized. There is an injustice there which the minister should look into and try to rectify. I do not find these people objecting to paying taxes when there is income taxable in a particular year, but when they are compelled to pay income tax on income earned on work which they did in 1942 and 1943 it is discrimination. Farmers in other parts of the community and other taxpayers in Canada are not taxed in 1944 on income earned in 1942 and 1943. What is happening is that the whole thing is lumped together in 1944 and tax is assessed on it. These people are being taxed on grain grown in 1942 and 1943 which was not marketed, nor did they receive any money for it until 1944. They were not allowed to deliver the grain which they had. Had they been allowed to deliver the grain, they would not have been taxable because they did not have taxable income. Government regulations prohibited them from getting money for their work in those years.

Mr. ABBOTT: There was no space in which to put the grain.

Mr. CASTLEDEN: That is right. They had to go to the extra expense of storing that grain on the farms and building granaries. Government regulations prevented them from delivering the grain. As a result, income rightly belonging to 1942 and 1943 was lumped together and put in 1944. It would be equivalent to members of parliament not being able to get their income for 1942 and 1943; then having the whole thing lumped together in 1944 and being charged income tax on that income for that year. I think there is an injustice there, but I shall not take up the time of the committee to discuss it any farther. I should like to have it looked into.

Mr. CRUICKSHANK: In this connection I should like to ask a question which has reference to a similar case. Some individuals in my province were unfortunate enough to invest in bonds of the province of Alberta. A certain government came into power and repudiated them and for years—

Mr. LOW: They did not repudiate them.

Mr. CRUICKSHANK: Wait a minute until I get through.

An hon. MEMBER: The hon. member is stupid.

Mr. CRUICKSHANK: It may be stupid to you, but these are the facts. Certain farmers in my riding—I shall put it in this way for the benefit of the minister—purchased these bonds and they did not draw any interest on them for a number of years. When the province of Alberta reassumed their responsibility for the interest it was all paid in one year. One farmer had an income of $2,240. If he had been paid yearly, without repudiation or delay, as he should have been, he would have received $660 a year. I hope that is clear to my hon. friends across the way. It is absolutely shameful for any government in Canada to adopt such an attitude. They are responsible. Is it not possible to make provision for a case such as that I have outlined? If the interest which had accumulated had been spread over the years when it was due this farmer would not have been liable for taxation.

Mr. LOW: I am sure the hon. member would like to be set right. In the first place, I think he is wrong in asserting that the interest was not paid. The interest was tendered and it was there for the bond holder who wished to take it.

Mr. SINCLAIR (Vancouver North): How much of the interest? The full interest?

Mr. LOW: At a reduced rate; that is right. That does not say he could not get it if he wanted it.

Mr. SINCLAIR (Vancouver North): If he took it he was then committed not to ask for the rest.

Mr. LOW: No.

Mr. CRUICKSHANK: That is not so. These excited gentlemen are the same gentlemen who perpetrated a lot of injustices that they will not admit.

Mr. LOW: Hon. members have said a lot of things that they do not want to have thrown in their faces.

Mr. SINCLAIR (Vancouver North): Start right now; we can start.

The CHAIRMAN: Order. May I ask hon. members to address the Chair?

Mr. LOW: I am trying to set the record straight. If these people had wanted to accept the interest which was tendered by the province there was nothing in the world to prevent them from participating in the benefits which were to be given to all holders of bonds.

Mr. SINCLAIR (Vancouver North): Benefits? Their rights.

Mr. LOW: That is right; call it "rights" if you like. If they did not then accept the interest which was tendered and which piled up from year to year, I realize quite well that it did create a problem, and I am quite sure that the Minister of National Revenue should take it into consideration and adjust the whole income tax payment. I think the hon. member for Fraser Valley has raised a good point. I am not objecting to that at all. I simply want to set the matter straight.

Mr. HACKETT: It may take an amendment to the income tax act.

Mr. SINCLAIR (Vancouver North): I also have a couple of farmers in the same position who held some province of Alberta bonds. When the leader of the Social Credit party says they could have drawn their interest, may I say it was not interest in full. If they had taken that they would have committed themselves and they would never have got their full interest. To ask, as the hon. member for Peace River is suggesting, that the federal government should now bail out the province of Alberta's obligation is sheer nonsense.

Mr. LOW: Of course it is sheer nonsense to say that I made such a suggestion. That is just about the size of the hon. member. Once more I want to set the record straight. Those people who held bonds were not committed. They were given an undertaking that any adjustment made in the future would apply to them. They knew that.

Mr. CRUICKSHANK: In order to keep the record straight—

The CHAIRMAN: Order. I have allowed the discussion between the hon. member for Peace River and other hon. members, in regard to what took place in Alberta, to go far enough.

Mr. CRUICKSHANK: But the hon. member for Peace River made an incorrect statement.

The CHAIRMAN: What was done by another government is not before this committee. I gave all hon. members wide latitude, but now we should revert to the vote.

Mr. POULIOT: I would call the attention of the minister to a few articles that have been published recently, the last of which will appear tomorrow, about the abolition of the income tax and its replacement by a one per cent tax on bank clearings, which amount to

$85 billion. This would dispense with the necessity of taxpayers making any reports, which would be made by the banks. Would the minister be kind enough to study that question during the recess?

Mr. ABBOTT: I will do that with pleasure.

Mr. HERRIDGE: I have a few words to say on this vote, and I am sure the member for Kootenay East (Mr. Matthews) will support me. I refer to the question of the location of these district offices. When the committee were appointed to investigate the question they suggested that one office should be maintained in the southern part of British Columbia. Naturally the Okanagan district requires an office. I say emphatically that the people of southeastern British Columbia are dissatisfied with the present situation, and I suggest that an office should be established at a central point so as to serve both districts. Here we have a district in the Kootenays producing nearly $100,000,000 worth of industrial and agricultural products and this government does not take steps to establish a district office in that area. The office in Kelowna is of little advantage to us. I wanted to say these few words in order to express the attitude of the great majority of the people I represent.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

648. Departmental administration — further amount required, $4,000.

Mr. CRUICKSHANK: Possibly I shall be called to order, but on the offchance that I shall not be I wish to say a word in connection with the trouble which the public works department and other people as well are having in British Columbia, and particularly in the Fraser valley, through not being able to secure nails.

The CHAIRMAN: The vote under consideration is No. 648, public works.

Mr. CRUICKSHANK: And I am discussing the fact that public works cannot get nails in British Columbia.

An hon. MEMBER: Wait until your vote comes.

Mr. CRUICKSHANK: Listen; one chairman is enough.

The CHAIRMAN: If the hon. member is discussing public works he is in order.

Mr. CRUICKSHANK: Public works and other projects are held up in British Columbia because nails are not available. I understood the minister to say in this house that a large supply of nails was now available, or that more nails were being made available. My information from British Columbia today is—and I believe that other members have received the same information—that nails are not available. In British Columbia, even with our wonderful climate, we are not going to use aluminum nails all the time when other nails are kept in eastern Canada and the maritimes. I should like the minister to explain why these nails are not available, in view of the statement he made the other day.

Mr. GIBSON (Comox-Alberni): I wish to support what the hon. member for Fraser Valley has said. In my constituency there is a community of ten thousand people, who have had only fifteen kegs of nails in the last month, and we have used more in chicken coops than that.

Mr. SINCLAIR (Vancouver North): I may say that the Minister of Public Works has been generous to my district, but the engineer cannot build wharves because he cannot get spikes. I suggest that the minister raise the matter with the Minister of Reconstruction and Supply so as to make sure that the Department of Public Works will get sufficient nails for the projects that have been appropriated to ridings including mine.

Mr. GIBSON (Comox-Alberni): In my riding, in Campbell River, there is a project that will not require nails. It is a complete rock breakwater and is one of the projects that will not call for nails.

Mr. ROSS (St. Paul's): I was glad to see the Speaker rise in his place today and speak briefly and to the point all the time. The question I wish to ask the Minister of Public Works is whether he has found all that furniture that we were trying to find out about last year. Perhaps he will take this as notice of a question and answer later.

Mr. HERRIDGE: I wish to call attention to the fact that Canadian Pacific railway officials in Kootenay West have informed boards of trade that they are unable to carry on the present restricted boat service because of the presence of sandbars. Dredging can be done only at low water in the narrows at Arrow lakes and the dredges have been held up for some time because of lack of funds.

Mr. FOURNIER (Hull): I will look into that phase of my estimates, but I have not the data on the dredging of Arrow lakes. When the ordinary estimates come up I shall have the information.

Item agreed to.

Chief architect's branch—construction, repairs and improvements of public buildings—Nova Scotia—

651. Brooklyn—postal accommodation, $4,500.

Mr. SINCLAIR (Vancouver North): I do not want to be critical of the extra appropriation for postal accommodation in Nova Scotia, but I would call the attention of the Minister of Public Works to the fact that the Post Office Department in British Columbia says that there is no place in greater need of proper postal accommodation than North Vancouver.

Mr. WINTERS: And there is no place in greater need than Brooklyn, Queens county, Nova Scotia.

Mr. HAZEN: What does this item mean, postal accommodation?

Mr. FOURNIER (Hull): We tried to find space all through the war and even expropriated part of a restaurant, and now we are trying to put up temporary accommodation to have the postal service operated.

Mr. BENTLEY: I want to remind the minister that we are very short of post office space in Swift Current. We shall have a big crop this year and a lot of mail. There will be a good deal of money coming to the Department of National Revenue in income tax, and I would ask that we be given enlarged space.

Mr. CRUICKSHANK: We want post office accommodation, but sites are hard to get in the Fraser valley owing to the inrush of people from Saskatchewan. We are prepared in the Fraser valley to finance the undertaking. We will advance the money to buy sites if the minister will take them over whenever he gets the money. There is no other riding that will make that offer. I would ask for consideration therefor.

Item agreed to.

ROYAL CANADIAN MOUNTED POLICE

Pensions and other benefits—

663. To compensate members of the Royal Canadian Mounted Police for injuries received in the performance of duty—further amount required, $240.

Mr. PROBE: Last session I asked the Minister of Justice if he would reconsider the present attitude taken by the commissioner of the Royal Canadian Mounted Police with respect to the payment of marriage allowances for those members of the force who enlisted for overseas service but who did not enlist with No. 1 provost company which was the body in the service to which they were directed at the time of enlistment. To my current knowledge, nothing has been done on this matter. I believe that the federal government is setting an improper example to the Canadian people generally with respect to the reemployment of veterans without disadvantage to the veterans themselves. I have great sympathy for those young men who enlisted because they felt they could be more useful to their country on the field of battle than by doing the usual police duties, and the fact that they married during that period I do not think should serve as a restriction on their rights to be considered as married men for the purpose of receiving marriage allowances. The Minister of Justice is not in his seat at the moment, so I am just talking for the record, but I hope that this matter does come up.

Mr. KNOWLES: Maybe another minister would make a statement.

Mr. PROBE: I do not know whether another minister would reply or not. Would the Secretary of State for External Affairs, who occupied this portfolio last year, care to comment on that matter briefly?

Mr. ST. LAURENT: No. I think it will be preferable for the right hon. gentleman now occupying the office of Minister of Justice to tell the committee what the intentions in that regard are at the present time. Up to the time I left the department it was felt that it would be detrimental to the discipline of the force.

Mr. PROBE: That is all poppycock.

Mr. ST. LAURENT: It may be poppycock, but that was the decision which had been made. If the present minister is prepared to make a decision that will not be regarded as poppycock, he had better have the privilege of announcing it himself.

Mr. PROBE: Without any personal aspersion on the minister, may I ask that this item just stand?

Mr. MACKENZIE: No.

Mr. ABBOTT: The hon. member will have an opportunity of discussing this matter on the main estimates.

Mr. PROBE: Very well.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

Canadian government travel bureau—

670. To assist in promoting tourist business in Canada—further amount required, $175,000.

Mr. HACKETT: I should like some information as to the nature of the assistance. Is it advertising?

Mr. McCANN: This amount of $175,000 is for advertising and publicity. It is to assist in promoting the tourist business in Canada, and the further amount required is as stated.

Mr. HACKETT: It is all for advertising?

Mr. McCANN: Yes. There is a reason for it, though, which we can give.

Mr. ABBOTT: Give it.

Mr. McCANN: Canada is in competition with many states of the union in the tourist trade, and it is essential that Canadian tourist attractions and conditions be brought to the attention of the travelling public of the United States.

It has been deemed advisable to place a considerable amount of advertising in United States papers. It is difficult to obtain advertising space in United States magazines at the present time, and reservations for space must be made at a very early date. United States publications are in the happy position of being able to insist upon cash with the order at least two months before the date of publication. While, therefore, provision has been made for this amount of $175,000 in the 1947-48 estimates, it will be necessary to pay these accounts before the end of the present fiscal year.

There would ordinarily be a decrease of this amount in 1947-48, but it will be necessary to provide for it again.

Mr. HACKETT: To advance it?

Mr. McCANN: To advance it to meet these commitments.

Mr. BLACKMORE: May I ask if this sum of money is being spent in cooperation with the provinces? I understand that most of the provinces have publicity departments of their own. Is the minister working through the publicity departments of the provinces, or is he working independently of them?

Mr. McCANN: My understanding is that the provinces have tourist bureaux and tourist departments of their own. The federal tourist bureau works in close cooperation with the provincial tourist publicity departments, and the provinces reap the benefit of the expenditure which is made by the federal authorities.

Mr. BLACKMORE: That is as it should be.

Item agreed to.

DEMOBILIZATION AND RECONVERSION

Finance—

686. Advances to Canadian wheat board for payments to millers and other manufacturers of wheat products—further amount required, $8,000,000.

Mr. CASTLEDEN: Can I get a statement as to how this $8,000,000 is recoverable? We just passed a $10,000,000 item of the wartime prices and trade board. What does this $8,000,000 refer to?

Mr. ABBOTT: I can give that information in a moment.

Mr. CASTLEDEN: How is it recoverable? Can the minister give us the same information for the item on the Commodity Prices Stabilization Corporation?

Mr. ABBOTT: The committee is no doubt familiar with the system by which millers receive payments equal to the difference between 77⅞ cents a bushel and prevailing domestic prices in respect of wheat used in products sold under the price ceiling. Payments are made by the Department of Finance through the Canadian wheat board, and any payments that would contribute to excess profits are required to be refunded.

This additional $8,000,000 is required for three reasons: (1) payments which were not claimed in the last fiscal year have come forward in the present fiscal year and have increased the amount beyond expectations; (2) domestic sales of flour have increased somewhat; and (3) most important of all, the domestic price of wheat was advanced recently from $1.25 to $1.55, thus substantially increasing the rate of drawback.

Item agreed to.

Vocational training—

688. Vocational training for discharged members of Canada's armed forces, including undischarged commitments of previous years—further amount required, $750,000.

Mr. PROBE: Will the Minister of Labour indicate whether or not this is straight training cost which is being asked for, or whether it includes capital equipment?

Mr. MITCHELL: It is just straight training costs.

Item agreed to.

Unemployment insurance commission—

690. General labour transference to industries and agriculture—further amount required, $100,000.

Mr. HERRIDGE: Some time ago there were reports on the radio and other information, on the basis of which I asked the minister a question, that some of these former members of the Polish forces were holding meetings and asking to be released from their agreement to work on farms for two years. At that time Mr. MacNamara had officials attend some of these meetings, but I have not heard of a report. Is the minister in a posi-

tion to make a statement to the committee with regard to how many of these men have left the farms, and is it the intention of the Canadian government to see that those who leave the farms are returned to the country of their origin?

Mr. MITCHELL: I can give the answer in two words. I do not know of a movement of men which has been more successful than the movement of these Polish veterans to Canada. We did have some trouble with two or three around the city of London, but that has all been straightened out. Personally I have received but one letter of complaint.

Item agreed to.

Transport—

692. To provide for facilities and operations under the administration of the director of merchant seamen, and to authorize payment to the unemployment insurance fund of contributions to cover certain merchant seamen entitled to the benefit of part IV of the Unemployment Insurance Act, 1946, under regulations approved by the governor in council and as provided in item 620 of the main estimates—further amount required, $1.

Mr. GIBSON (Comox-Alberni): Will the Minister of Transport endeavour to keep before the civil service commission the necessity for some addition to the wages of lifeboat crews on the Pacific coast? I believe he has that under advisement now.

Item agreed to.

Transport—General—National harbours board—

694. Halifax harbour—reconstruction of immigration quarters in shed 21—further amount required, $3,000.

Mr. GRAYDON: Is the weather down there sufficiently warm now that construction can be proceeded with?

Mr. ABBOTT: I understand that they have had an early spring.

Item agreed to.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. ABBOTT moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1947, the sum of $55,839,512.54 be granted out of the consolidated revenue fund of Canada.

Mr. CRUICKSHANK: Shall I be in order now to speak on some general matters?

The CHAIRMAN: The hon. member may speak on the resolution, but his remarks must be confined to the terms of the resolution.

Mr. CRUICKSHANK: I wish to refer to a matter coming under the Department of Agriculture.

The CHAIRMAN: This money already has been voted, and the committee is dealing with the ways and means of raising the money, not ways of spending it.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 108, for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1947.

Motion agreed to and bill read the first time.

Mr. ABBOTT moved the second reading of the bill.

Mr. GRAYDON: Before we give the bill second reading, may I ask for the same undertaking that was given in connection with the previous bill?

Mr. ABBOTT: Yes; it is in the same form as the earlier appropriation bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. CRUICKSHANK: I wish to say a few words in connection with the payment of subsidies on oats and barley. I am sorry the Minister of Agriculture has left the chamber, but I am sure the acting leader of the government will relay to him what I have to say and the advice I have to give. My information from the province of British Columbia today is that the farmer gains very little by the subsidy which has been granted on oats and barley because the feed companies in British Columbia, working under what I honestly believe to be a monopoly, have raised their prices to such an extent. As a result, the egg producers will have to produce eggs at a loss unless some action is taken by this government to increase the subsidies, either through the Department of Agriculture or under the omnibus bill.

Some hon. MEMBERS: Carried.

Mr. CRUICKSHANK: No, it is not carried yet. I supported the government on the omnibus bill the other day, but on Monday I am going to say something about the control bill. If there is to be a control bill it must be made to work; otherwise it should be withdrawn entirely. I want to make sure this matter is brought to the attention of the Minister of Agriculture. The subsidies have been of little benefit to the egg producers of British Columbia; and unless some action is taken, I definitely intend to deal with the matter under the control measure.

Mr. HERRIDGE: I should like to support what has been said by the hon. member for Fraser Valley. I have received letters from my part of the country expressing the same view.

Section agreed to.

Sections 2 and 3 agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. SPEAKER: It can be taken to be six o'clock now, so I leave the chair, and the house will resume its sittings at eight-thirty o'clock this evening. Since the house will have to go to the senate for royal assent, I would ask that there be at least twenty members in order to have a quorum.

Mr. GRAYDON: May I suggest to the government that they protect us in this respect?

Mr. ABBOTT: We will do our best.

Mr. CRUICKSHANK: I will pair with you right now.

At six o'clock the house took recess.

After Recess

The house resumed at 8.30 p.m.

ROYAL ASSENT

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

Ottawa, March 28, 1947.

Sir: I have the honour to inform you that the Hon. Patrick Kerwin, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber this day at 8.30 p.m., for the purpose of giving the royal assent to certain bills.

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

A message was delivered by Major C. R. Lamoureux, D.S.O., 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 royal assent to the following bills:

An Act to amend the Customs Act.
An Act to amend the Militia Pension Act.
An Act to amend the Department of National Defence Act.
An Act to amend the Canada Grain Act.
An Act to amend the Feeding Stuffs Act, 1937.
An Act to amend the Fertilizers Act.
An Act respecting Supplemental Payments on Rural and Land Mail Contracts.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1947.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

On motion of Mr. Mackenzie the house adjourned at nine o'clock.

Monday, March 31, 1947

The house met at three o'clock.

UNITED NATIONS

REPORT ON SECOND PART OF FIRST SESSION OF GENERAL ASSEMBLY

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I have the honour to table the report on the second part of the first session of the general assembly of the united nations which was held in New York from October 23 to December 15 last year. Copies of the report are being circulated to all members of the house. The present copies of the report are in English; a French edition is in preparation.

Though the report is formally a report on the New York meeting of the assembly, it is in fact more than that. The discussions of some issues in New York were part of a process of study and discussion which had gone

on in various bodies of the united nations since the end of the first part of the first session of the assembly in London. The report therefore covers many of the developments in the united nations during the whole period from the close of the London meeting on February 14, 1946 until the close of the New York meeting on December 15, 1946. This is indicated in the title of the report, which is "The United Nations, 1946".

The report is the third in the series of reports which the Department of External Affairs has issued on the united nations. The first report was on the San Francisco conference and the second report on the London meeting of the assembly. Together, those three reports describe the progress of the united nations and Canada's participation in it from the opening of the San Francisco conference to the end of 1946.

In many ways, this report is a departure from ordinary practice. It is not merely that it is more extensive but it is more explanatory and more outspoken.

Frankness is, I think, appropriate in a report of the united nations from the government of Canada to the parliament and people of Canada. The charter of the united nations begins with the words "We, the peoples of the United Nations". The charter thus recognizes a very direct relation between the united nations and the individual citizen of the member states. It is, therefore, fitting that the Canadian government should give to the citizens of Canada a full account of its stewardship in respect of the united nations.

The report contains not only a summary of the discussions and decisions of the assembly but also the text of the more important resolutions adopted by the assembly. It tells how Canada voted on about forty of the more important or the more controversial issues and gives the reasons why the Canadian representatives voted as they did. It also gives the text of the more important speeches made by Canadian representatives at the plenary meetings of the assembly and in the committees.

The report is a lengthy document and perhaps the members of the house would allow me to draw attention to some of the sections which might be of particular interest.

The preface to the report explains the structure of the united nations and of the various bodies linked to it. We thought that this might be useful because the structure is somewhat complex.

This is followed by a general survey of the work which the assembly was able to accomplish in New York. Perhaps I might mention some of the conclusions set forth in that survey.

More was accomplished in New York than could reasonably have been expected when the assembly opened. The assembly demonstrated that, when it had delicate political questions to deal with, it would usually deal with them with moderation and restraint. Usually, not always. It would be too much to expect of any deliberative body, when it is dealing with questions which arouse deep feelings, that it should always act with moderation and restraint. Appeals to passion and prejudice were made, for example, in the debates on the Spanish question and on the treatment of Indians in South Africa. These appeals were not confined to the advocates of any particular resolution.

Under present conditions issues like the Spanish and South African issues cannot be properly settled in a deliberative body such as the assembly by counting heads. Unfortunately this truth was not always recognized in the discussion of these issues but it was recognized in the discussions on disarmament. What appears to be the most important accomplishment of the assembly in New York was the unanimous adoption of the resolution on disarmament, and this unanimity was made possible only by the joint and sustained efforts of many delegations to reconcile the separate proposals which each had advanced. These efforts were based on a common recognition of the fact that, if an assembly resolution on disarmament was to have practical results, it had to be concurred in by all the heavily armed powers and by the great majority of all the other powers.

One encouraging feature of the assembly was that in voting on important questions there were few hard and fast blocs of states. To demonstrate this, we have included in the report an appendix showing how each of the 54 members of the united nations voted on ten significant issues. This table is worthy, I think, of careful study.

The general survey of the work of the assembly is supplemented by a somewhat similar survey of the work of the economic and social council. The structure of organized intergovernmental cooperation on economic and social questions is more complex today than before the war. In addition to the economic and social organs of the united nations itself there are at present seven, and there may soon be twelve, international organizations which are specialized and functional and to which large areas of international collaboration have been entrusted. It is hoped that this great

series of organizations will provide for comprehensive and varied attack on those economic and social problems to the solution of which international collaboration can contribute. The range and complexity of the system, however, carry with them certain dangers. The report sets forth some of these dangers as we see them and some of the ways in which they might be minimized.

One of the dangers is that, because of the increasing number of international meetings and their increasing length, governments may find it difficult to send adequate delegations to all the meetings. It was for this reason that the Canadian government had included in the agenda of the assembly in New York an item entitled "measures to economize the time of the general assembly". Our views on this question, to which we attach considerable importance, are set forth fully in the report.

The general survey is followed by sections dealing with each of the main issues which arose in New York. These are grouped under six heads—political, economic and social, trusteeship, administrative and budgetary, legal, and other questions.

I shall not attempt to list these questions. I would, however, like to draw the special attention of the members of the house to the section on disarmament.

We feel that Canada was able to make a valuable contribution to the discussions in New York. On this question and in order that the record may speak for itself, we have included in the appendix to the report the text of the final disarmament resolution together with the various preceding drafts including the Canadian proposals. We have also included the speeches given by Canadian representatives in explanation of the Canadian proposals. It seems clear that, had the assembly adopted a disarmament resolution which contained the imperfections and ambiguities present in the original proposals, the debates, which would have been precipitated in the security council and the atomic energy commission on the precise meaning of the words of the resolution and exactly what the assembly had recommended the security council and the atomic energy commission to do, would have been long, harassing, and probably sterile.

As members of the house who have attended international conferences know, a great deal of the most useful work of a delegation does not appear on the surface of events. Perhaps the proportion that rises above the surface is very much the same as the proportion of an iceberg which is above the surface of the water.

As an indication of this, we have thought it wise to include in the report the text of the "working paper" on disarmament which was prepared in the Canadian delegation over three weeks before we formally submitted to the assembly our resolution on disarmament. We have also printed for the first time the memorandum on sanctions and the veto which the Canadian delegation to the atomic energy commission circulated to the commission on December 19.

Questions have been raised about Canada's attitude on the various issues which have arisen in the united nations concerning relations with the present regime in Spain. I think that hon. members will find that these questions are fully dealt with in the report. There is, for example, a statement of the position which Canada took on each of fourteen votes on the Spanish question.

In the hope that it might be of assistance to the special committee of both houses which is to be set up to study the question of human rights and fundamental freedoms, we have included in the report the statement of essential human rights which was drawn up by a committee appointed by the American Law Institute, the resolution of the assembly referring that statement to the commission on human rights, and the resolution of the economic and social council establishing the human rights commission.

During this session of parliament, the house may be asked to consider various questions relating to refugees and international relief. There are sections in the report dealing with these questions which might provide useful background material for the members.

The same applies to the sections in the report on the budget of the united nations and on the scale of contributions to those budgets.

The Canadian delegation to the assembly in New York contained members not only from the government side but also from the Progressive Conservative and C.C.F. parties. I should like to take advantage of this opportunity to express on behalf of the government our appreciation of the contribution which was made to the work of the delegation in New York by the leader of the opposition in this house and the leader of the opposition in the Senate and by the leader in this house of the C.C.F. party. We worked together as a team in New York. We discussed fully and frankly at daily meetings the problems with which the delegation was confronted.

This policy of sending to the general assembly of the united nations a delegation representing all the major political parties of Canada is an experiment. Under our system of government, the government of the day must accept full responsibility for every action of a delegation at an international conference.

That responsibility must be ours and we do not ask the opposition parties to share it. We do feel, however, that it is of immense value to the people of Canada to have leading members of the opposition parties participate at the united nations assembly in the discussions which lead up to decisions on the attitude which the Canadian delegation should take.

Pending the time when we may be able to have a discussion in this house of Canada's relations with the united nations, it might be appropriate to have this report considered by the standing committee on external affairs and, if I have the unanimous consent of the house, I should be glad to move that the report now tabled be referred to that committee.

Mr. CHURCH: The UNO is nothing but a tower of Babel. We should send missionaries over there instead of politicians.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure the members of the house will welcome the receipt of this report from the Secretary of State for External Affairs (Mr. St. Laurent). I rise to make one observation and to ask one question. The observation I wish to make is as a member of the Canadian delegation to the general assembly of the united nations which met in New York last fall. As a member of that delegation I wish to pay tribute to the man who was honoured in having been chosen as chairman of the delegation. We found not only the chairman of the delegation but the technical advisers well prepared for the heavy task which they had to perform. We found the minister always courteous and thorough and one in whom we could take pride as chairman of the delegation of which we were all members. While I am speaking of the chairman of the delegation I want my words to apply equally to all of the members, including the hon. member for Rosetown-Biggar who sits to my left.

After glancing at the report which has been tabled, and from what the minister has said, I take it that it is not a report of the general assembly of the united nations but rather a report of the Department of External Affairs on what took place at that gathering.

Mr. ST. LAURENT: That is correct; it is a report of the part taken by the Canadian delegation in the activities of the assembly.

Mr. BRACKEN: It is a report of the Canadian delegation, or rather of the Department of External Affairs, dealing substantially with what took place at the general assembly in New York during the months of November and December last?

Mr. ST. LAURENT: Yes.

Mr. M. J. COLDWELL (Rosetown-Biggar): Since the leader of the opposition has referred to the chairman of the delegation at New York I should like to associate myself with his remarks in that regard. Canada and the Canadian delegation were fortunate indeed in having the present Secretary of State for External Affairs as chairman of the delegation. As he said, we met every morning, and while sometimes we did not see eye to eye with him in every particular, through his ability he was always more or less able to bring us together to present something of a united front. I think that was a great tribute, both to the chairman and to all of the members of the delegation. I should like to associate myself with the leader of the opposition in paying this brief tribute to the work of the chairman.

Mr. GRAYDON: May I be permitted to ask the minister one question? I did not hear the minister mention the work of the security council. I realize that we are not on that council yet, although I have hopes that at some time we shall be. That council of course has been doing important work and is the one organ of the united nations which is heavily endowed with power. I wonder why in the report there was no reference by some of our observers in the Department of External Affairs to the work of the security council, which is of tremendous interest and concern to all Canadians.

Mr. ST. LAURENT: This was intended to be a report of the Department of External Affairs on the participation of the Canadian delegation in the work of the united nations and the Canadian representative on the atomic energy commission who participated in the work of the security council on the atomic energy question. He was called in under I think it is section 31 of the charter of the united nations. Our participation to that extent was covered by the report I tabled the other day on the work of the atomic energy commission.

As to the activities of the security council, the hon. member will find that they are indirectly referred to in the discussion of the matter of the voting procedure in the security council, but that is the only portion that was covered. There will be available to hon. members copies of the report of the security council. There was a report of the security council to the general assembly, which served

as the basis for much of the work of the general assembly on this second part of the first assembly.

Mr. GRAYDON: Have we an observer constantly at the security council gathering?

Mr. ST. LAURENT: No, we have not an observer. We have not appointed a representative to be permanently at the site of the united nations, and we have no permanent observer at the security council. Though I shared with my hon. friend the disappointment we experienced when we were not elected to the security council, I must confess that had we been there we would not yet have any accomplishment to be proud of.

WHEAT

SEASONAL DELIVERY QUOTAS ON BASIS OF SEEDED ACREAGE

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I wish to make a brief statement in regard to the basis of wheat deliveries in western Canada. Members of the house will recall that since August 1, 1941 wheat delivery quotas have been based upon what was known as the authorized acreage. An authorized acreage was established covering each farm unit in western Canada and delivery quotas were established on the basis of so many bushels per authorized acre. Authorized acreages were more equitable than seeded acreages whenever there was a possibility of a final limitation on producers' wheat deliveries in any crop year. Because it is not the intention of the government finally to limit wheat deliveries, it has been thought advisable on grounds of equity to use a seeded acreage basis in 1947-48.

Under the conditions which now exist the government is of the view that for the crop year 1947-48 and until further notice, any seasonal delivery quotas necessary for wheat and other grains in western Canada will be based on seeded acreage.

I am making this statement at this time in order that grain producers in the west may understand that any seasonal delivery quotas which may be established in the coming crop year will be on a seeded acreage basis for wheat and other grains.

VETERANS GUARD OF CANADA

DISBANDMENT—EXPRESSIONS OF THANKS ON BEHALF OF CANADIAN PEOPLE

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, if the house will permit I should like to make a statement with respect to the veterans guard.

[Mr. St. Laurent.]

Another stage has been reached in the demobilization of Canada's armed forces. We have already said good-bye to such fine war-time organizations as the Women's Royal Canadian Naval Service, the Canadian Women's Army Corps and the Women's Division of the Royal Canadian Air Force, better known with affectionate respect as the WREN's, the CWAC's and the W.D.'s. Now it is with feelings of pride that I call the attention of this house to the work of that splendid body of men, the veterans guard of Canada, due for disbandment today.

The veterans guard was authorized during the dark days of May 1940 to give the veterans of the war of 1914-1918 their chance to serve in the defence of the home front. They stood on guard for Canada in the front line trenches of 1914-1918 and in the second world war they stood on guard for Canada on the frontiers of their native land.

Amongst the tasks which their country asked them to undertake during the recent war was the protection of many lonely but important places on both the Atlantic and Pacific coasts and many vital and vulnerable points in Canada where sabotage or any form of enemy attack might have been a national calamity. These men, too, willingly undertook one of the most wearing, tiring and thankless of all tasks with the firm discipline which they themselves had learned as Canadian soldiers, and, with the tact and humanity which they had learned as Canadian citizens, they guarded the enemy prisoners of war and escorted them back to Europe when the war was over.

In October 1941 the first members of the corps proceeded overseas for duty at Canadian military headquarters, in London, and other companies soon followed. A special detachment was sent to Newfoundland early in 1942 and companies were sent to the West Indies and British Guiana.

In the ranks of the veterans guard were men who had gallantly led their comrades into successful action in the great war of 1914-1918. Their ranks were decorated with the ribbons of two Victoria Crosses, 65 Military Crosses and bars, more than 75 Distinguished Conduct Medals and over 300 Military Medals.

At the peak strength in August 1945, nearly 9,000 veterans were serving in the veterans guard. Some of these men spent ten of the last thirty years serving their country in two world wars. Those thirty years should under happier circumstances have been the happiest and most productive of their lives, dedicated to peaceful tasks and the joys of family union. The fact that ten out of thirty years should have been spent in this way is a challenge

not only to us but to the whole world of men to work with each other and with all nations, in order that such devotion and unselfish service can hereafter be dedicated, not to the harassing duties of war but to the advancement of national, international and human welfare.

On behalf of the Canadian people, I extend to the Veterans Guard of Canada heartfelt thanks for a good job well done, and a grateful farewell.

With regard to the demobilization of the remaining men in the three services who enlisted for the duration of the war or for interim service, a relatively small number are being retained, with their consent, until the end of September of this year to assist in putting the armed forces on a post-war basis. As this phase is completed, the men so serving will be progressively reduced and all will be out of uniform by September 30, 1947. This is the date by which every man who joined up for the duration of the war will have returned to civilian employment or enlisted in the post-war active forces.

This termination date will be marked by appropriate ceremonies, particularly to recognize the part played by Canada's reserve forces in our total war effort and to emphasize the great part that the naval reserve divisions, the Canadian army reserve force and the air force auxiliary squadrons can, and we trust, will, play in the post-war forces which should the need arise again will be available to serve our country. Every fit young man too young to serve in war should join one of Canada's citizen services. The reserve forces are proceeding with their organization and their essential place in Canada's national life in peace and war calls for strong support in every community.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I would like to add just one word, if I may, to the remarks which have been made by the Minister of National Defence, because I had a large number of these old soldiers serving under me.

In the minister's statement three words stood out. The first was thanks, the second was farewell, and the third was challenge. Thanks and farewell are not enough for these old soldiers who have given up so much of their time to the service of this country. The challenge—

Some hon. MEMBERS: Order.

Mr. PEARKES: —is to this government to provide some sort of employment for these old soldiers and to make some sort of provision for them so that they may be reestablished in civilian life. Under the present regulations they are trying to get certain benefits—

Some hon. MEMBERS: Order.

Mr. COLDWELL: I think all members of the house, regardless of party, would like to associate themselves—

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Order.

Mr. COLDWELL: I thought the hon. gentleman had resumed his seat.

Mr. PEARKES: I had not. I wish to point out—

Mr. SPEAKER: Order. I have allowed the hon. member to make a few remarks but I would point out to him that it is not permissible for him to make a statement or start a debate.

Mr. GRAYDON: Surely he has the same right as the minister.

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: Oh, yes. He has just the same right and perhaps more.

Mr. SINCLAIR (Vancouver North): A shadow minister?

Mr. PEARKES: I am not playing politics—

Some hon. MEMBERS: Oh, oh.

Mr. PEARKES: —I am merely speaking up for some men who served under me—

Some hon. MEMBERS: Hear, hear.

Mr. PEARKES: —and I have the right to do so. I want to say one more word regarding some old soldiers who have received notice that they are to be discharged on the first of April of this year.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I would ask the hon. member to be brief. He cannot make a speech. The statement made by the minister is not debatable and I would ask the hon. gentleman to be brief in his remarks.

Mr. PEARKES: I will be very brief, sir.

Some hon. MEMBERS: Order.

Mr. PEARKES: May I ask whether those permanent force soldiers who have done more than nineteen years' service and who hope to get a pension for twenty years of service, and have now received notice that their service will terminate on the thirty-first day of March, today, can also receive the thanks of the minister for the services that they have

given, and also receive the consideration which the minister is giving to assist these old soldiers of the veterans guard?

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I think that all members of the house would like to associate themselves with the thanks expressed by the minister to the men of the Veterans Guard of Canada who have served their country so well. May I say that I should also like to associate myself with the remarks of the hon. member for Nanaimo (Mr. Pearkes) and to express the hope that this country will do more for these old soldiers than merely to give them a vote of thanks.

Mr. VICTOR QUELCH (Acadia): The members of this group, Mr. Speaker, would also like to associate themselves with the remarks made by the hon. member for Nanaimo. It can be truly said, I think, that the men who served in the first world war and the men of the veterans guard are Canada's forgotten men.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, speaking for the apex of the Liberal party, we would like also to associate ourselves with what has been said; only we hope that we shall have the same privilege of making speeches in favour of the veterans as has been accorded to the hon. member for Nanaimo.

Mr. LESLIE A. MUTCH (Winnipeg South): Under the circumstances, Mr. Speaker, in view of the fact you have permitted a debate on this question—

Mr. SPEAKER: Order. I would call the attention of hon. members for the second time to the fact that I cannot permit a debate.

Mr. MUTCH: I shall be satisfied, Mr. Speaker, if you will afford me the same facilities as have been accorded to other members.

Mr. HOMUTH: Why don't hon. members over there yell "order" now?

Mr. MUTCH: In the beginning I should have been content to allow the Minister of National Defence, in what I thought were well chosen words, to pay tribute to these men for me as a supporter of the party. But I have had some opportunity to serve with the men who are being disbanded today, and as a comrade of theirs in two wars, speaking for myself and everyone on this side of the house —if we are going to do it in this way—I wish to pay my tribute and to express the hope that in view of their doubly difficult rehabilitation they will have not only equal but special consideration. I am sure that is the hope of this house.

INDIAN AFFAIRS

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. D. F. BROWN (Essex West) moved:

That the second report of the special joint committee of the Senate and the House of Commons appointed to continue and complete the examination and consideration of the Indian Act, presented to the house on Wednesday, March 26 last, be now concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT NOTICES OF MOTIONS AND GOVERNMENT ORDERS

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I would ask for the consent of the house to move at this time the motion of which notice is printed on page 27 of the routine proceedings and orders of the day. When the house took recess some time after six o'clock on Friday, the hon. member for Peel (Mr. Graydon), who was then acting for the leader of the opposition, asked the leader of the house to indicate the programme of work for today; that was done, and it seemed to me to meet with pretty general satisfaction as being a proper programme for this day. But it so happens that that programme cannot be carried out in accordance with the standing orders of the house unless this motion printed on page 27 of the routine proceedings and orders of the day is considered at this time. There had been a motion made that government notices of motion have precedence over all other matters, but the introduction of bills, questions, notices of motions for the production of papers. But the effect of that resolution expired on Friday the 28th, and we would therefore, under normal procedure, revert to the standing orders which would be in accord with the proceedings as printed in the orders of the day.

I discussed this with several members of the house and it was suggested, amongst other things, that in making this motion at this time, the exception providing for the introduction of bills, questions and notices of motions for the production of papers should be extended and should include, from eight to nine o'clock in the evening on Tuesday and Fridays, private bills and public bills. That seemed to be a reasonable suggestion, and if I have the consent of the house to make the

motion at this time I should be disposed to include that exception in the motion, so that on Tuesdays and Fridays from eight to nine o'clock private bills and members' public bills might be considered in accordance with standing orders so long as government business has precedence over other matters.

There is another feature which was pointed out to me, which I in turn discussed with my colleagues, and which we found was quite proper. I do not think any member of the house considers it to be entirely fair that private members should be deprived of the opportunity of bringing before the house matters which might not be on the routine proceedings and orders of the day. Having discussed that with my colleagues I am prepared to give the undertaking that so long as government business would have precedence under a resolution such as this, the government would as the first order of government business on each Monday move the house into committee of supply so that all hon. members would have at that time a full opportunity to air any grievances which they might have or to bring to the attention of the house anything not on the routine proceedings and orders of the day which they felt was of sufficient importance to engage the attention of the house at that time. I think it would be well if each Monday that is to be taken for government business, as the first order of government business there were a motion to go into committee of supply, so that every hon. member would have an opportunity to bring up at that time anything which he felt was of sufficient importance to warrant its being discussed. The intention of the government would not be to go on with the consideration of supply when the house got into committee, but rather to call two or three departments and have them opened so that they might on any appropriate occasion be dealt with in accordance with the standing orders.

If that arrangement seemed to be suitable, it might be taken as an undertaking of the government to move, on every Monday when government business would have precedence over other affairs, to go into committee of supply as the first order of business so that any question not on the order paper but about which any hon. member was concerned, could be discussed. We have now only today, tomorrow and a short day on Wednesday before taking recess and I think it was the general feeling that we should continue with the emergency legislation before the house. I would therefore request leave to move at this time:

That on Monday, March 31 instant and every sitting day thereafter until and including Monday, April 28 next, government notices of motions and government orders shall have precedence over all other business except introduction of bills, questions and notices of motions for the production of papers, and except, from eight to nine o'clock in the evening on Tuesdays and Fridays, private and public bills; and that standing order No. 15 be suspended in relation thereto.

Mr. JOHN BRACKEN (Leader of the Opposition): The acting leader of the government has indicated the position in which we find ourselves today as a result of the way in which our programme is printed in the routine proceedings. The procedure allows private members' business to have priority over government business. The minister has suggested that we reverse that order and put government business before private members' business. As he has indicated and as we all know, in order that the change may be made now, notice not having been given before, the arrangement must have the unanimous approval of the house.

Speaking for the official opposition, when requests of this kind have been made to us, as has been the case several times this session, we have raised no objection, and we raise no objection now. I think it only fair, however, to point out what the minister himself indicated, namely, that particularly during this session private members have been asked to make sacrifices, and there should be some recognition of the position in which they have been placed. We have no desire to take advantage of the technical position in which the government finds itself today. I do not think we should. And I do not mean to urge the government to grant any more concessions to private members than their judgment would suggest. But the minister has said that from now on the government is willing to move to go into supply each Monday. To that extent private members will be permitted to discuss questions they feel should be dealt with. I think that is a good suggestion, and I support it. It is an ill wind that blows no one good, so if the situation confronting us today is a little difficult, I believe some good may come out of it for the private members of this house.

We are agreeable to the suggestion reversing the order of business today, provided that free discussion is permitted each Monday when the motion is made to go into supply, and provided that we are not denied the right to discuss matters mentioned in private members' resolutions, which under a narrow technical interpretation of the rules I understand might be denied us. I do not think that right should be denied. I would respectfully suggest to the minister that his proposal should not be limi-

ted to the period mentioned, but that he undertake that this motion be made every Monday from now until the end of the session.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I say that we too approve the suggestion of the minister, which I understand to be that on Mondays hereafter until these motions run out private members will have the right on going into supply to state any grievances or raise any questions they regard as of urgent importance. It is an improvement on the procedure we have followed in this house up to the present, and after trying it out we might consider making it a permanent part of our rules of procedure. We also approve the proposal to devote the usual hour from eight to nine o'clock on Tuesday and Friday evenings to private and public bills. That is something we appreciate, for it does give private members an opportunity of doing things which otherwise, under the resolution we have adopted this session with regard to procedure, they might not be able to do. Therefore I support the proposal of the minister and express the hope that we may be able to facilitate the business of the day by adopting it unanimously.

Mr. SOLON E. LOW (Peace River): The members of this group will be prepared to support the minister's proposal. I take it that on Mondays when the government does move into committee of supply, only one or not more than two departments at the most will be called. With that understanding we will certainly give our support to the suggestion.

Mr. ST. LAURENT: I shall not ask to open more than two departments unless at the time I have the consent of the house to open more. With respect to the other suggestions that have been made, during the whole session Monday is a private members' day, and if we applied this rule during the whole session it would mean that Monday would not again become a private members' day; but that we can further consider. For the present all I am asking is that while we are taking something from the private members on Mondays, we call supply as the first order of government business so that there may be an opportunity of airing any grievance that may have arisen.

Mr. MacINNIS: The Mondays the minister has mentioned are the Mondays until April 28, or whatever date was mentioned by the minister; it was not the Mondays until the end of the session?

Mr. ST. LAURENT: Not beyond the time covered by the motion. We may have to suggest that the motion be extended at another time, but if that were done another undertaking would be given.

Mr. BRACKEN: May I ask the minister to comment on the suggestion I made with respect to the possible limitation of debate on this motion to go into supply? Are we to be denied the right to discuss matters which may be mentioned in resolutions now on the order paper, but which have not come up for discussion? I think we should have the utmost freedom of discussion on Mondays.

Mr. ST. LAURENT: I am not as well informed as I should be about the standing orders of the house. I was under the impression that we could not move the adjournment of the house to anticipate a discussion on something already on the order paper, but that on going into supply hon. members were not limited, and I would not like to see them limited, in anything they might feel it was proper to bring before the house at that time.

Mr. COLDWELL: But is that not a matter for His Honour the Speaker? No member of the government can possibly commit the Speaker to something which contravenes the rules of the house. That is the way it stands, at least on the face of the rules.

Mr. ST. LAURENT: So far as I am concerned I shall be prepared to rely upon the sense of responsibility of each hon. member, at a time when there is urgent public business to be attended to, not to raise anything he does not feel is of sufficient importance to warrant taking the time of the house.

Mr. JEAN FRANCOIS POULIOT (Temiscouata): Mr. Speaker, I desire to draw the attention of the house to the fact that this discussion has been agreeable and pleasant, and the motion probably will be adopted unanimously, because the acting leadership of the house is different. We do not any more hear anyone being called "irreverentially impertinent", which was something rather tough in reply to the word "touchy." When one feels that he is the lord spiritual because he has been appointed right honourable, it cannot cause anything but trouble. The discussion today has been very agreeable, between humble men, some of whom have titles and others of whom have not, and it is rather admirable. Last year I brought the attention of the Prime Minister through *Hansard*—I did not do it in any other way—to the fact that it was quite necessary to change the acting leadership of the house, and now that it has been changed

we are at peace. I hope the acting leadership will remain under another sky for a very long time.

Mr. GORDON GRAYDON (Peel): The hon. member for Rosetown-Biggar (Mr. Coldwell) referred to the possibility of having a trial of this proposal. I do not want to take much time just now, but I should like to bring up a matter which has to do with the business of the house, and I think this is the appropriate time to do it. At the risk of being accused of having repeated something I said on Friday night I want to say that I feel keenly about this. Will the government consider making an experiment after we return from the Easter recess with a view to changing the unearthly sitting hours with which we now have to put up and arriving at something that would be more satisfactory? If we sat every sitting day of the week from one o'clock in the afternoon until seven o'clock in the evening it would give us three more hours of actual time for debate. There would be no question of reducing the hours of sitting; it would simply be a matter of trying to find a more convenient and satisfactory, and shall I say a more humane arrangement for the House of Commons. I should like the government at least to try it out; if it did not work, no great harm would be done. After the Easter recess I suggest that for the first week the government consider sitting from one o'clock until seven to see if the proposal I am making will not work out in the interests of all concerned.

Mr. ST. LAURENT: I can assure the hon. member that the government will give serious consideration to the suggestion he has made and will endeavour to have it considered by the chairmen of the special committees set up by the house to see if it will be possible still to have time to do that part of the business of the session which has to be attended to by the select committees. The select committees might have to meet somewhat earlier than eleven o'clock if the house were to meet at one. I think that is an aspect of the matter that should receive consideration. I can assure the hon. member that if arrangements can be made which will be more conducive to the convenience of hon. members and will allow the work of the session to be accomplished, it will be a great pleasure to me personally.

Mr. COLDWELL: I presume that the house itself will be consulted on this matter as well as the chairmen of committees?

Mr. ST. LAURENT: Of course the government would not attempt to do more than to bring a motion before the house for the determination of the house, but I think the chairmen of committees should have an opportunity to consider the work they have to do and how they might have to arrange the sittings of their committees to fit in with any new arrangement for the hours of sitting of the house.

Mr. POULIOT: If it is adopted we will call it the Graydon rule.

Motion agreed to.

CRIMINAL CODE

ORGANIZATIONS ADVOCATING OVERTHROW OF CONSTITUTED AUTHORITY

Mr. WILFRID LaCROIX (Quebec-Montmorency) moved for leave to introduce Bill No. 133, to amend the criminal code (illegal organizations).

Some hon. MEMBERS: Explain.

Mr. LaCROIX: The communist party of Canada and the Labour-Progressive party of Canada and organizations with similar objectives and advocating the use of similar means of overthrowing constituted authority as developed in Canada under our constitution are a menace to the safety of the state and should be outlawed by an adequate provision of the criminal code. The government, with the approval of parliament, thought it necessary and expedient for the safety of the state to outlaw the communist party during the war. Such organizations constitute a great threat to the safety of our national institutions in peace time and should be suppressed in like manner. With this object in view it is proposed by this bill to declare the named parties illegal organizations under the criminal code.

Motion agreed to and bill read the first time.

PRIVATE BILL

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

Mr. SARTO FOURNIER (Maisonneuve-Rosemont—for Mr. Rinfret) moved the first reading of Bill No. 106 (from the senate) to incorporate Quebec North Shore and Labrador Railway Company.

Mr. T. L. CHURCH (Broadview): Are we to have no explanation? I should like to call the attention of the house to one fact about this bill. It will take ten years to build this railroad and the company is to be permitted to build pipe lines, carry on shipping and ocean services, operate hotels and many other things —light and power developments, air lines, etc.

It gives them the right to do almost anything in Labrador, provided that authority is first obtained from Newfoundland. It is clearly ultra vires of the dominion.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INCOME TAX—MARRIED WOMEN

Mr. TIMMINS:

How many married women paid income tax in 1945 in respect to salaries alone (as contrasted from those who paid income tax on investments) and what was the aggregate of the income tax so paid?

Mr. McCANN (Answer for taxation division): As stated in answer to an earlier similar question statistics have not been assembled in a form to answer this question but arrangements have been made to gather such statistics in the future beginning with the year 1946.

VALCARTIER ARSENAL

Mr. LENNARD:

1. What is the personnel in charge of the arsenal at Valcartier?

2. How many of this personnel have had overseas service?

Mr. McILRAITH:

1. 183. for the most part permanent government employees.

2. Twenty.

DOMINION GOVERNMENT EMPLOYEES IN NOVA SCOTIA—EDWIN FRASER

Mr. LOW:

1. Does Edwin Fraser hold a position with the federal government in Nova Scotia?

2. If so (a) what position; (b) what remuneration does he receive; (c) on whose recommendation was he appointed, and what are his qualifications for the position?

Mr. BRIDGES:

1. Yes.

2. (a) Supervisor of fisheries, district No. 2, Nova Scotia; (b) $3,000, plus war duties supplement $480 per annum; (c) Appointed by Civil Service Commission as fisheries inspector February 1, 1920 and promoted to present position by same authority July 1, 1932; (d) Adaptability to fisheries administration and an intimate knowledge of requirements based on long experience.

[Mr. Church.]

INDEBTEDNESS OF U.S.S.R. TO CANADA

Mr. GAGNON:

1. Does the amount of $8,815,680.52 owed Canada by the U.S.S.R. for advances made under section three of the War Appropriation Act, bear any interest?

2. If so, at what rate?

3. When will the principal be repaid?

Mr. MAYHEW:

1 and 2. After these advances had been outstanding for several months and no agreement had been reached on the terms of a long term credit to cover these and other purchases then contemplated, Canada proposed to the U.S.S.R. that the advances should bear interest at three-quarters of one per cent if paid off in cash within a relatively short time, or should bear interest at whatever rate was later agreed upon for a long term credit if they were covered by such a credit. As yet it has not been possible to secure the agreement of the government of the U.S.S.R. to the payment of interest at these proposed rates.

3. When the U.S.S.R. requested these advances, immediately after the end of hostilities in the Far East in order to purchase food for the U.S.S.R. troops which had been fighting the Japanese, the government of the U.S.S.R. undertook to repay them either by cash or on the basis of a long term credit agreement then under negotiation. As yet it has not been possible to secure the agreement of the government of the U.S.S.R. to a definite date for the repayment of these advances.

ATOMIC ENERGY—CHALK RIVER PILOT PLANT

Mr. McCULLOUGH (Assiniboia):

1. Is the pilot plant at Chalk River being maintained for atomic research?

2. How much money was spent to maintain this plant for each year of its operation during the war?

3. How much has been spent on it for each year since the war?

Mr. McILRAITH:

1. Yes.

2. and 3. The expenditures including capital and operating on the Chalk river pilot plant have been as follows: For the fiscal year 1944-45, $2,830,106.82; For the fiscal year 1945-46, $14,202,466.82; For the fiscal year 1946-47 (to 28 February 1947), $6,504,828.26.

CENSUS—PRAIRIE PROVINCES

Mr. HAMEL:

1. As concerns the 1946 census in the prairie provinces, under whose authority was section 19 of the Statistics Act, chapter 190 of the Revised Statutes of Canada, 1927, which provides that the census shall be so taken as to ascertain the racial origin, religious denomination, **etc.**, of the population, departed from?

2. If such deviation from the act was authorized by order in council (a) what is the wording of such order in council; (b) under what authority was it passed?

Mr. MacKINNON:

1. Minister of Trade and Commerce.

2. Answered by No. 1.

Note: It is the policy of the bureau of statistics to restrict the questions in the census schedules to those which supply essential information. For 1946 it did not appear to be essential that a question be asked on ethnic (racial) origin, in view of the fact that the question is asked at every decennial census.

The question on religion has not been included in a quinquennial census since 1916. It is sufficient to ask the question in the decennial census when the whole dominion is covered.

ARCHBISHOP STEPINAC

Mr. RAYMOND (Beauharnois-Laprairie):

1. Has the Secretary of State for External Affairs received any protests following the statements made recently by the Consul General of Yugoslavia, Mr. Popovitch, with reference to the Sovereign Pontiff, His Excellency Bishop Stepinac and the Roman Catholic church?

2. Has the Secretary of State for External Affairs taken any action in the matter?

3. If so, what action?

Mr. ST. LAURENT:

1. Yes.

2. I have studied with great care the representations which have been made to the government concerning the statement which Mr. Popovitch was reported to have made in an interview published in the Montreal *Standard* on March 1, 1947. It is clearly the right and the duty of a diplomatic or consular representative of a country to use his best efforts to explain the policies and actions of his government and to clear up misunderstandings. Since we expect our representatives abroad to do this for Canada we should be the last to deny the same right and privilege to representatives of foreign governments in Canada.

The existence of the right is one thing and the way in which the right is exercised is another thing. A foreign representative is guilty of an impropriety if, in the course of defending the actions and policies of his government, he uses language which is clearly offensive. Part of the language reported as having been used by Mr. Popovitch we would regard as clearly offensive. If such language had been used in similar circumstances by a Canadian representative abroad, we could not object if the government to which he was accredited complained. In fact, we would reprimand him ourselves for having overstepped diplomatic propriety.

I understand that at the interview Mr. Popovitch spoke in French and that his remarks were translated into English for the benefit of the representative of the Montreal *Standard*. It is therefore possible that the account of the interview may not have conveyed precisely what Mr. Popovitch meant.

We are making inquiries about this.

3. Answered by No. 2.

FAMILY ALLOWANCES

Mr. ISNOR:

1. What are the total amount of undue allowances of family allowances and the number of accounts affected?

2. Of the amount shown, how much is recoverable through suspension of the family allowances account?

3. What part of the total undue allowances is considered recoverable by other means of repayment?

4. How much of the total undue allowances is considered uncollectable?

Mr. MARTIN:

As of January 31, 1947:

1. $165,920.83; number of accounts affected, 4,644.

2. $102,860.00.

3. $48,826.83.

4. $14,234.00.

"LABOUR GAZETTE"—CORRESPONDENTS

Mr. PROBE:

1. What persons received payment from the Department of Labour and what amounts, in each of the years 1944, 1945, 1946, as correspondents supplying material for the *Labour Gazette?*

2. How much of each correspondent's material was published in the *Labour Gazette* in each of the years 1944, 1945 and 1946?

3. How much of the expenditures, if any, was cost-of-living bonus and for what reasons was bonus paid?

Mr. MITCHELL:

1. Name	1944	1945	1946
Adams, C.	$ 140 40	$ 140 40	$ 19 40
Boivin, T.	140 40	140 40	81 90
Campbell, J. M.	73 15	....	....
Charron, G. E.	175 56	175 56	87 78
*Cole, W. H.	175 56	175 56	165 92
*Cushing, G. G.	175 56	175 56	165 92
Cuthbert, J.	150 00	150 00	75 00

1. Name	1944	1945	1946
*Dixon, G. W.	175 56	175 56	165 92
*Duffy, T.	....	93 60	133 31
Fulcher, E.	140 40	58 50	....
*Gadsby, H. M.	175 56	175 56	165 92
*Gibson, T. W.	175 56	175 56	165 92
*Grant, A. E.	140 40	140 40	133 31
Graves, J. C.	140 40	70 20	....
Hale, T.	175 56	131 67	....
*Hale, T.	....	43 89	165 92
*Hall, D.	140 40	140 40	133 31
*Hall, F. W.	175 56	175 56	165 92
*Hall, N. S.	140 40	140 40	133 31
Halladay, E. I.	175 56	175 56	58 52
*Hilborn, G. V.	150 00	150 00	151 01
Hogan, M.	140 40	140 40	70 20
*Hogan, W. J.	....	....	63 11
*Hope, R.	175 56	175 56	165 92
*Keegan, W. F.	175 56	175 56	165 92
Kessler, C. H.	93 60	....	....
*Lowe, D. P.	175 56	175 56	165 92
*Mackay, J. A.	140 40	140 40	133 31
Martin, J. A.	140 40	140 40	58 50
*Martin, L. R.	....	....	74 81
*McCreath, R.	175 56	175 56	165 92
*McGirr, W.	140 40	140 40	133 31
*McGrath, E.	175 56	175 56	165 92
McLean, T. C.	175 56	175 56	87 78
*McNeil, F.	175 56	175 56	165 92
*Monoghan, J. H.	140 40	140 40	133 31
*Mooers, H. F.	175 56	175 56	165 92
*Newsome, R. D.	140 40	140 40	133 21
*O'Neill, E. B.	175 56	175 56	165 92
Phenix, G.	46 80	....	....
Plamondon, L. A.	146 30	....	....
*Provencher, L.	140 40	140 40	133 31
*Radford, J. M.	....	70 20	133 31
*Sharp, J. P.	140 40	140 40	133 31
*Sharpe, J. T.	175 56	175 56	165 92
*Stott, A.	175 56	175 56	165 92
*Symonds, R. C.	175 56	175 56	165 92
*Tait, A.	140 40	140 40	133 31
Thornley, H.	351 00	146 25	....
Williamson, A. C.	175 56	175 56	73 15
Totals	$7,119 57	$6,566 67	$5,487 44

Number on list..... 50
Number not now acting..... 17

Total number acting..... 33*

2. The material furnished by correspondents is of a general nature in reference to wage trends and employment and labour organizational matters in their respective districts, and while it does not lend itself to direct publication in the Gazette in the form communicated to the department it is a fact that the reports are useful in many ways in keeping the various branches informed on matters in which they are concerned and are of aid in preparing periodical data.

3. Of the expenditures in answer to question number 1, the payment of cost-of-living bonus yearly was: 1944—$992.07; 1945—$911.67; 1946—$585.94. The reason for payment of cost-of-living bonus to these employees is that they

[Mr. Mitchell.]

qualified therefor under the regulations laid down for payment of such increment to members of the public service.

UNITED NATIONS—PRESS OFFICER IN GREECE

Mr. JAQUES:

1. What is the official position of Stanley Ryan, reported as press officer, UNO, in Greece?
2. Where was his birthplace and what was his original name?

Mr. ST. LAURENT: Perhaps I might answer this question orally. It has to do with one who is said to be an official of the united nations. We would not like to establish the precedent that the government should answer in the house questions about the personnel of the united nations. If the hon. member wishes me to do so I shall be glad to communicate with the secretary general of the united nations and secure the information and pass it on to him. I should not like to have it made part of the records of the house because although we are one of the united nations we do not think we should be required to answer in the house questions about the administration of that body.

Mr. COLDWELL: May I ask of what interest it is to anyone where this man was born or what his original name was? That is something that should not be taken up with the secretary general of the united nations.

Mr. JAQUES: Will the minister tell the house if this man is employed by the dominion government?

Mr. ST. LAURENT: This man is not in the employ of the Canadian government.

Mr. GRAYDON: The minister's statement of the position with respect to questions on the united nations organization may be correct; I have not given it any consideration, but as no doubt from now on a number of questions on vital matters will be asked about the organization the government should consider seriously how far they can go in giving information.

Mr. SPEAKER: Order.

Mr. GRAYDON: Surely a member can stand up and ask a civil question.

Mr. SPEAKER: No debate is permitted on questions.

Mr. GRAYDON: Mr. Speaker, if you are going to take the position that every member is to be put in a strait-jacket I am going to protest, and I do not mind telling Your Honour that I will.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WHEAT SUPPLIED TO CANADIAN DISTILLERS

Mr. FAIR:

1. During the period January 1, 1941 to March 1, 1947, what quantities of wheat were supplied to Canadian distillers?
2. At what price per bushel was this wheat sold?
3. Did the Canadian government contribute to the purchase price by way of subsidy?
4. If so, what was the amount of such contribution?
5. For what reason was the contribution made?

INCOME TAX—FARMERS

Mr. FAIR:

1. During each of the fiscal years 1939-40 to 1945-46, how many farmers were assessed for income tax in each province?
2. How many filed returns in each province each year during the above period?
3. What is the amount (a) levied; (b) collected in each province in each year during the period above?

ALCOHOLIC BEVERAGES

Mr. NICHOLSON:

1. What materials, and what quantities of each material, capable of being used as foodstuffs were allocated or used by (a) distilleries; (b) breweries; (c) wineries, during the year 1939 and each subsequent year as far as the figures are available?
2. How far were the wartime regulations, passed on December 16, 1942, effective in accomplishing their ostensible purpose of reducing the amount of alcoholic beverages consumed in Canada as regards spirits, beer and wine?

PUBLIC BUILDINGS—POST OFFICES

Mr. ZAPLITNY:

1. How many new post office buildings have been built by the government since January 1, 1945?
2. Where have they been built?
3. What was the cost of each?
4. What was the gross revenue of each such post office at the date when replacement construction was commenced?

MEDICAL SERVICES—INDIANS AND ESKIMOS

Mr. CHURCH:

1. What has been done by the government since the discussion last session on health estimates to provide relief measures in medicine and hospitalization services and medical assistance to Indians, Eskimos and those in outlying districts of Canada, either federally or with the assistance of the provinces, or municipalities?
2. What moneys have been spent on this work since then?
3. Did any deputation of clergy or medical men or others wait on the cabinet herein recently and what was the reply given to them, if any, by the government?

CANADIAN OVERSEAS FIRE FIGHTERS

Mr. CHURCH:

1. Has anything been done since last session to give a volunteer medal to the Canadian overseas fire fighters?

2. Have any other measures of equality of status been given to them in the same manner as those who served in the forces in the late war?

MOTIONS FOR PAPERS

INCOME TAX—FARMERS

Mr. FAIR:

For a copy of the instructions issued to assessors of farm income tax each fiscal year 1939-40 to 1945-46.

DAUPHIN, MAN., LANDING FIELDS

Mr. ZAPLITNY:

For a copy of all letters, telegrams, memoranda and other communications exchanged between the Department of Reconstruction and persons or organizations since January 1, 1946, in connection with No. 10 S.F.T.S. and/or the relief landing fields at Dauphin, Manitoba.

NAILS

SHORTAGES IN RURAL AREAS

On the orders of the day:

Mr. H. O. WHITE (Middlesex East): Mr. Speaker, in view of the serious shortage of nails in rural areas, will the Minister of Reconstruction and Supply assure the house that farmers will be able to get sufficient nails to repair and maintain their buildings?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I must say that I am not in charge of the distribution of nails in this country. Certain priorities have been set up for housing requirements and those entitled to priorities will receive guarantees of supplies. I do not know that I can go beyond that. My hon. friend is a great advocate of private enterprise, and I can assure him that private enterprise is in charge of the distribution of nails.

Mr. STEPHENSON: If I may ask a supplementary question, an advertisement appeared in the Toronto *Evening Telegram* of March 22 indicating that nails could be bought, but only in carload lots, delivery to be made in from one to three weeks. Will the minister explain how that advertisement appeared?

Mr. HOWE: I did not see the advertisement. How would I know how the advertisement appeared? Perhaps my hon. friend can explain.

Mr. STEPHENSON: Our hardware stores are without nails and here is an advertisement offering them in carload lots.

[Mr. Church.]

Mr. FRASER: On March 4 the minister told me that no nails had been exported from Canada. The export order went into effect February 2, 1946, but it was not fully carried out because permits had been issued before that date good for six months and many hundreds of thousands of dollars' worth of Canadian nails were exported last year.

Some hon. MEMBERS: What is the question?

Mr. FRASER: I would like to know why it is that Canadians who want nails have to buy them from the United States, nails made by Canadian firms here in Canada.

Mr. HOWE: My hon. friend has made a statement of fact. I hope he can prove it; I think he should. I say it could not possibly happen.

Mr. CASE: The minister mentioned priorities for housing. What about nails that are required for public schools? Is there any priority for them?

Mr. HOWE: The only priorities I know of are certain priorities for veterans' housing, and military establishments such as hospitals and occupational centres.

CANADA—U.S. BORDER

WITHDRAWAL OF UNITED STATES CUSTOMS PATROL

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Is the Minister of National Revenue aware that today the customs patrol at the Canada-United States border has been withdrawn by the United States government? What complications are apt to arise involving the minister's department, and what steps are being taken to counteract them?

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, we do not think that from our standpoint any complications will ensue. Our patrols will continue to operate as usual. We have never depended upon the United States for enforcement of our laws. I think it is perhaps a matter that is none of our business.

FREIGHT RATES

PRESS REPORT AS TO EFFECT OF INCREASE ON PRICE CEILINGS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, a Canadian Press dispatch today reports officials of the wartime prices and trade board as having said that the granting of a thirty per cent general increase in rail-

way freight rates asked for by the railways would blow the lid off prices altogether. I shall not refer to the pros or cons of the railway rates case, but on a question of privilege, it seems that in the House of Commons we are denied the right to discuss railway rates, while in a bureaucratic assembly outside of this house they are allowed to talk all they like about it. Some move ought to be made by the minister to make sure that whatever privilege is given to them should at least be given to hon. members of this house.

Hon. DOUGLAS ABBOTT (Minister of Finance): I have not seen the item in question, and of course I cannot control the newspapers. I do not know whether an official of the wartime prices and trade board made the statement which is attributed to him. If he made the statement it is no doubt an improper one for him to make; but I question whether any senior official of the board made the statement or would be quoted as making it.

HOGS

PRESS REPORTS OF SLAUGHTER OF BREEDING STOCK

On the orders of the day:

Mr. J. A. CHARLTON (Brant): I should like to direct a question to the Minister of Agriculture, who is not in his seat at the moment. Perhaps he will take notice of it and answer as soon as he gets back. With respect to a Canadian Press news item of March 29, which states that thirty-one sows, nine with pig, were killed in two days at one processing plant in Winnipeg, is the government taking any steps to stop this wholesale slaughter of breeding stock? Unless something is done at once, our commitments to Britain will prove even more of a dismal failure.

NATIONAL DEFENCE

MOTOR VEHICLES—COMPLIANCE WITH PROVINCIAL REGULATIONS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): On February 24 an answer was given to a question of mine by the parliamentary assistant to the Minister of National Defence. I shall read only part of the question:

Do all national defence motor vehicles carry provincial licence plates?

To that part of the question the parliamentary assistant to the Minister of National Defence answered as follows:

All wheeled motor vehicles carry provincial licence plates.

The answer is partly correct; they carry provincial licence plates, but the parliamentary assistant did not say that they were 1943 licence plates, not 1946 and 1947 plates.

Hon. BROOKE CLAXTON (Minister of National Defence): I think I ought to correct my hon. friend. At the time his question was asked it was ruled not in order; therefore I do not see why it should be permitted now.

Mr. FRASER: What does the minister mean by saying it was not ruled in order?

Mr. CLAXTON: The question was not put at that time.

Mr. FRASER: The answer I have read was given to a question that I put on the order paper. That was the answer I received.

Mr. CLAXTON: I am sorry; I thought the question was as he had put it at a previous time when the question was not allowed. The situation is this. In all provinces except Ontario motor vehicles of the Department of National Defence carry licence plates of the current year; but in Ontario, at the request of the Ontario motor vehicle authorities, made in a letter dated December, 1943, we kept the 1943 plates in order to save the government of Ontario the expense of replacing plates from year to year.

Mr. FRASER: Further in regard to that, a check of twelve motor vehicles last Tuesday showed that three of them did not carry licence plates at all.

POSTAL SERVICE

RATES ON FOOD PARCELS TO UNITED KINGDOM

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): The Postmaster General is not in the house at the moment; perhaps I can put this question in the hope that he will be able to answer it tomorrow. Will the government now give consideration to reducing the present high postal rates on food parcels going to the United Kingdom?

GOVERNMENT EMPLOYEES

COMPENSATION FOR DISEASE, DISABILITY OR DEATH ARISING OUT OF EMPLOYMENT

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 105, respecting compensation for government employees.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. MacNICOL: I wish to say a word or two on this section. I realize that in the main the compensation boards of the provinces, particularly Ontario, with which I am best acquainted, do give first-class satisfaction. If a man's leg or arm is cut off or his eye is out or he is otherwise disabled and that disablement is quite easily seen, he is taken care of without any difficulty. But many men are injured and have industrial diseases which are difficult to observe. I do not wish to say anything that would in any way reflect on the medical boards of the compensation boards, but I am not satisfied with all that they do. For instance I know of the case of a man who had worked in a foundry for eighteen years. Knowing, or at least I used to know, all about foundry practice—and I have not forgotten all of it—I am convinced that he could not work steadily in a foundry for eighteen years unless he were fit. This particular man had the misfortune to bump his knee into some obstruction, a truck, or a wheelbarrow or some other such obstruction which is all too frequently in the way of people working in factories.

As I said, he had been working in the foundry for eighteen years. Because of that accident he was knocked out. He received compensation for some length of time; I have forgotten how long, but that is neither here nor there. The compensation board had their medical men examine him, and they declared that the reason he could not work was that his heart was affected and that he had an arthritic condition which caused his leg and knee to swell, thereby making it impossible for him to work. He is in bad shape. I believe he is on the road to his grave. In my judgment his condition is an industrial disease. How can it be proved that it is not? He was healthy for eighteen years; made his living for that length of time and all of a sudden he bumps into a truck or some other obstruction. On being examined some time after—I do not know how long after—the medical board stated that he had an arthritic condition as well as a heart condition. If he has, who is to prove that it is not the result of his accident? He could not possibly work steadily for eighteen years in the foundry business unless he had been 100 per cent healthy.

A moulder uses his knees all the time. He must be strong and healthy or he could not stand the smoke, soot and dust of a foundry. The particular man to whom I have referred has been discharged by the board. In my opinion he is suffering from an industrial disease. When the medical board states that a man who is now unfit to work because of an injury received while at work has no more claim for compensation, I do not agree with them. I believe, as I tried to say the other night, that workmen who now have no appeal, should be given that right.

I believe there is provision for appeal in New Brunswick and Prince Edward Island. Elsewhere there is no appeal from the medical decision of the board. The medical staff of the compensation board are not, in my opinion, to be put in the same class as the family doctor, who does his utmost for his patients, and is sympathetic at all times, whereas a member of a medical board under the compensation law is a government employee and does not need to care a fig whether he satisfies the workmen or not. As a result, I am sorry to say, in my opinion, too often the workman does not receive what he is entitled to. I have known quite a number of men who afterwards died from the injury or disease they contracted while working in a factory. All I wish to say is that if the act does not allow any appeal—I believe it does in certain provinces—

Mr. CHEVRIER: The three provinces.

Mr. MacNICOL: —I would urge upon the minister that provision be made in the bill for any government employee or anyone working for any branch of the government, whether in a factory or elsewhere, who has the misfortune to be injured or to contract an industrial disease, to have the right to appeal. I think the act should apply to such people so that the workmen will have the benefit of appeal in all the provinces and not only in three. If it is right in three provinces it is right in all. I am concerned about this because I have seen such regrettable things. I do not find fault with the board. In the great majority of cases they give satisfaction. They do excellent work and, after men recover from accidents, try to provide jobs for them. There is much that I could say complimentary to the compensation boards. As I said before, years ago I was one of those who strongly advocated the system because my association with large numbers of working men was such as to suggest to me the necessity for something of the kind, and I was happy later on to see provincial governments passing compensation laws. In the operation of the law, however, I have not been 100 per cent satisfied. Am I asking too much when I suggest that the same treatment should be meted out to all working men throughout Canada as is given those in the three provinces mentioned?

Mr. CHEVRIER: I was going to say to my hon. friend that if there is appeal in the three provinces I mentioned—Prince Edward Island, New Brunswick and Yukon and northwest territories—it is because of provincial law. The point which he makes is the same one he raised the other evening when we were discussing this question. The Government Employees Compensation Act has proceeded on the basis of utilizing the services of provincial boards, and my hon. friend raised a point the other day when he said, "I hope the minister will not set up a whole new department". That is exactly what we do not want to do, but if we are to have an appeal court, then we must set up a whole new department.

As I understand compensation, it is a matter of property and civil rights to be dealt with by the provinces under the British North America Act. Not so, however, as regards government employees, and we in the Department of Transport have always proceeded on the basis that, while we had jurisdiction under the British North America Act, we should not undertake to set up a separate and different administration but rather should use the experience of the provincial boards which have existed. We have done that in Ontario and Quebec and in all the other provinces and have got along fairly satisfactorily.

In Ontario there is no appeal from the decision of the compensation board, and I presume the same position obtains in the province of Quebec. If we were to set up our own machinery in Ottawa, and proceeded to deal with these cases in the manner in which the boards deal with them across the provinces, then we would be doing exactly what my hon. friend the other evening did not want us to do when he expressed the fear that this would mean the establishment of a whole new department. I fear I have to tell him that, so long as we use the media which are at our disposal in the form of the provincial boards, we shall have to deal with the law as it exists in those provinces.

In the three provinces where there is an appeal court the decision of the officer or the board is subject to appeal, and in the other provinces, where there is no appeal court, unfortunately there is nothing under this act that we can do apart from what I have said, namely, setting up separate machinery, which would be costly.

Mr. MacNICOL: I appreciate what the department is up against and I am not in favour of setting up a whole new board. I know a lady who worked in a munitions factory during the war. I presume that would be a government plant?

Mr. CHEVRIER: Yes.

Mr. MacNICOL: She had the misfortune, while operating a shell machine, to drop a shell on her foot, which was crushed badly, so that it was impossible for her to stand on that foot for more than a moment or two at any time. The board were very kind from the beginning. They gave her compensation for what they would call the usual length of time, but the fact is that she was unceremoniously discharged. Her own doctors were strong in their protestations. They said that she should receive compensation indefinitely because her leg was almost useless. If that happened in a government plant today, what would be the status of such a person under this bill?

Mr. CHEVRIER: What province?

Mr. MacNICOL: What province?

Mr. CHEVRIER: I do not think there would be any difference in the disposition of the case—it was under the order in council—provided that it was an accident. If the disability were an industrial disease, there is provision for that in this bill, which is not covered in some of the provinces.

Mr. MacNICOL: All I can hope for is that some members of the legislatures in Ontario and the other provinces that have workmen's compensation acts, where there do not exist the facilities that are provided in New Brunswick, Prince Edward Island and Yukon, will stand up in their assemblies and appeal for equal treatment for all workmen. I have seen too many workmen in my time who, in my judgment, were unceremoniously discharged when they should have been kept under the care of the compensation board.

Mr. ISNOR: I was pleased the other evening when the resolution covering this bill was introduced by the Minister of Transport, and on that occasion I asked him whether it would be retroactive and would take into account cases which were then under consideration by the department. The minister was good enough to advise me that such was the case.

It is not often that I bring up any individual case on the floor of the house, because I have found that the officials of the various departments are generally quite cooperative and I get results without having to appeal from the floor. But after reading section 2 of the bill dealing with employees, and the definition of "employee," "compensation" and "industrial disease", all covered in section 2, I am uncer-

tain whether the provision is as broad as I had hoped it would be. Taking, first, paragraph (b) it seems that compensation will be dealt with along the lines provided in the province in which the accident occurs or in which the industrial disease is contracted.

Another point I would mention is the question of wage. It applies to an employee who is paid a direct wage or salary. I am going to ask the minister to explain later whether that direct wage will cover an hourly wage to a temporary or casual employee.

In order to bring this individual case to the attention of the minister in the hope that it will receive more consideration and more direct attention I must go back over correspondence which began in June, 1945. I will give the details as briefly as possible. The case received the support and attention of the Canadian Legion, Halifax branch, and many letters have been written by individuals in connection with it. I have had it before the Department of National Defence for Naval Services, as well as the Department of Transport on more than one occasion. I refer to the case of Murray Leonard Bowser, naval civilian employee, who was first employed in Halifax as time and material recorder. He entered the employ of the government on November 9, 1942. After serving in Halifax, he was transferred to Quebec in February, 1943, and I wish the minister to make a note of that. He remained there until he was brought home sick in January, 1944.

Mr. CHEVRIER: May I interrupt the hon. member to ask if this man was a member of the Royal Canadian Navy?

Mr. ISNOR: No, he was not a member of the Royal Canadian Navy. I will enlarge on that. He received his call-up on February, 1942, if I remember rightly and, finding that he was in category "E", he felt he would like like to enter some type of war work. He applied to H.M.C. dockyard, Halifax, where he was taken on as a civilian employee, as I stated, and engaged as time and material recorder. During the time he served in Quebec, while working on shipbuilding materials, he broke out with some type of skin disease; and several doctors claimed that the basic cause came from the work in which he was engaged.

Bowser has been confined to either hospital or his home since January, 1944, and during that time has been in a pretty serious condition. He is covered with sores from his feet to his head. He is unable to lie in bed without suffering great pain. His mother, who is a widow, has exhausted all her means and impaired her own health in caring for her son.

I hesitate to go into such details, but I know the minister will bear with me; I feel the case is so important, of such a serious and distressing type that I must go into details to a certain extent.

When Bowser was first employed he was to serve for the duration of the war and in any part of the world where his services might be required. While in Quebec he was admitted to hospital, but a few days later released, the doctors advising him that his disease would clear up in a few days. Remember, that was in 1942 and he is still suffering. Since then his condition has grown steadily worse. Today I am informed he has become totally blind and requires to be bandaged from feet to head.

As I stated, I have had his case repeatedly before the Department of National Defence; there was correspondence from September 7, 1945; a reply was received on October 9 of the same year. The Canadian Legion had the case before the deputy minister for naval services since June 22, 1945. The department is not willing to accept responsibility, and that is why I am pleased that this bill was introduced, because I thought this was likely a bill covering this special case, one that did not seem to come within the scope of the province of Quebec workmen's compensation act. By the way, the workmen's compensation commission of the province of Quebec would not accept any responsibility in this case, and that is why Bowser paid his own expenses, or rather his family were obliged to pay his expenses and transportation charges back to Halifax so that he could receive proper treatment there. What I want to know, if the minister will be good enough to tell me, is this. Will this bill cover a case of this type; and what will be the procedure to be followed to bring about the results desired, namely, a recognition of the liability of the government to deal with a case of this kind?

Bowser's illness, as stated, started in Quebec while he was on duty. He was transferred home at his own expense. His doctor bills, board and hospital charges have cost his aunt and mother something like $3,000. His mother is a widow, is not in good health and can ill afford to meet this heavy burden. The Quebec workmen's compensation commission rule that this disease is a form of eczema, and eczema is not covered under the workmen's compensation act. I am questioning the minister whether it is covered in the term or interpretation mentioned in section 2 (b).

My late colleague, Mr. W. C. Macdonald, had the case reopened in October just prior to his passing to the great beyond, but a settlement had not been made up to the time

of his death. Since then, the Department of National Defence for Naval Services has placed it before the Department of Transport. I think the date of that was November 4, 1946. I am giving the minister all the information possible in order that he may follow this case through, and I am hoping that he will find some way whereby justice may be accorded to this young man and to his widowed mother.

I think I have placed the details of this case before the minister as briefly as I could, while at the same time giving fairly full coverage so that the minister may trace it. I would appreciate it if, on the information placed before him, the minister would advise me whether he considers the act as framed today is sufficiently wide and broad to cover a case such as this?

Mr. CHEVRIER: I am grateful to the hon. member for having gone into such detail in connection with the case of Mr. Bowser, which is apparently rather serious and to some extent unusual. The first question asked by the hon. gentleman was whether a person who is in receipt of a direct wage or salary, although a casual or temporary employee, is covered by this act. The answer to that question is, yes.

The next question asked was whether this particular case is covered by the bill or, in the alternative, whether this bill will afford any assistance to this particular individual. All I can say to the hon. member for Halifax is that this act makes use of the services of provincial boards. There are one or two questions which arise in connection with the case he has mentioned. The first is whether the accident, if it was one, or the disease, if it was a disease, happened or was contracted in the province of Nova Scotia or the province of Quebec. The second is whether the province of Nova Scotia or the province of Quebec pays compensation in connection with industrial disease, if it was a disease. I am informed that in Quebec compensation is paid for certain industrial diseases, but the hon. gentleman says this is a form of eczema which is not covered by the workmen's compensation board of Quebec.

I am afraid I would have to say to the hon. gentleman that we would be bound by the law of the province of Quebec, under section 2 and also under section 3. However I want to make sure such is the case, and I shall be glad to ask my officers—in fact I ask them now—to investigate this case to ascertain whether some assistance cannot be rendered this young man.

Mr. ISNOR: I thank the minister for his reply. If he should find that the Quebec compensation act does not cover a case of this kind I suggest that he is duty bound so to broaden the regulations and definitions that in future such cases will be covered, and I think such provision should be made retroactive to cover the case now under consideration. It is a national responsibility, as the hon. member for Vancouver North points out.

Mr. CHURCH: The object of the bill, as set out in the explanatory note, is to bring the act up to date. I should like to say a word with respect to the definitions. In the first place, this bill does not revise very much, as it should, the Government Employees' Compensation Act, which is chapter 30 of the revised statutes of Canada, 1927, as amended. There has been a great war since that time, and these definitions are not nearly broad enough. Under this measure a man has to go to the workmen's compensation board, and follow through the whole procedure. Many of these men are among the lower paid government employees. If a man has a serious accident he may find that he is not covered by the workmen's compensation board act of Ontario; if he dies his family may be put out on the street. Many of these men have given long service. Some were with the old Grand Trunk which was taken over by the Canadian National. During the last war many of these employees were working night and day on trains going to and from Halifax. Some contracted diseases; many were overworked. They were not paid any war bonus. So I should like to see this statute broadened to include Canadian National railway employees of this class, who should be given some recognition for the fact that they often worked in demobilization eighteen hours a day. Many were injured; many contracted diseases, throat trouble, lung trouble, and so on, which could be definitely traced to their long hours of toil by night and by day, in all kinds of weather, both during the war and during demobilization. I do hope the government will consider these railway men, because they should be given some consideration.

In regard to the other features of the legislation, I believe the time has come when some appeal should be provided. As hon. members know, the workmen's compensation legislation is administered by a board, whose proceedings are very largely in private, with no one appearing for the applicant.

The CHAIRMAN: I believe this discussion would be more appropriate under a subsequent section.

Mr. CHURCH: I understand that, Mr. Chairman, but I am trying to harmonize it with the definitions given on page 7 of the bill. I believe those who come under the workmen's compensation act should have some court of appeal to which they might apply. I do hope the act will be broadened to include war workers, not only on the railways but in the other branches of government service.

Mr. CHEVRIER: As far as the employees of the Canadian National Railways are concerned they are covered by the provinces and not under this legislation.

Mr. BLAIR: I should like to ask some questions by way of an explanation of this bill. I understand that the regulations are different in the various provinces, some of which recognize industrial diseases while others do not. I should like the minister to say how he is going to equalize this situation. In one province a man who contracts an industrial disease is paid compensation; in another province he is not. As far as the compensation board is concerned, how does the minister intend to regulate the difference paid men in different provinces while off duty because of injuries? The point is that, as this legislation reads, compensation is payable under the compensation board of the province in which the accident happened or the disease is contracted, and I think we should have something broader. I believe something further should be in this legislation to take care of these men. I have had to deal with compensation board cases from other provinces, and I know there is a marked difference in the regulations as between one province and another. It would not seem fair that if a man contracted in one province a disease which was not recognized by the compensation board in that province, he should receive payment in another province.

Mr. CHEVRIER: The hon. gentleman raises two questions. In the first place, he refers to the equalization of payments for industrial disease in the various provinces. It is a fact that the law operative under this bill is that which exists in the province where the industrial disease was contracted, but my information is that the compensation for industrial diseases in the various provinces is pretty much the same, that there is not a great deal of difference in the amounts paid. I am also informed that the acts of Ontario and Quebec, where there are perhaps more of these industrial diseases than anywhere else in Canada, do not differ greatly with respect to not only the number of industrial diseases recognized but also the kind of industrial diseases for which compensation may be claimed. To equalize the situation, as my hon. friend suggests, would mean setting up a separate administration, which would be a costly matter. I agree with the hon. gentleman that this might be the best thing, but if the Department of Transport were to do so the cost would be increased tremendously. As it is now, we are able to look after our employees in a manner which thus far has proven satisfactory, and the costs have not been too high because we have been able to use the administration already established in the various provinces. We deal with the administration. To equalize it would be a costly matter and I do not think I would be prepared to recommend it.

[The Chairman.]

Mr. BLAIR: As I understood the case presented by the hon. member for Halifax, there was something wrong that was not allowed in the one province as compared with another.

Mr. CHEVRIER: The case referred to by the hon. member for Halifax arose through the movement of a person residing in Nova Scotia to the province of Quebec. If I understood him aright, he stated the disease was a form of eczema and that is not allowed under the Quebec compensation act. It has been the practice of the Department of Transport to accept the rulings of the provincial boards. It is true that we could widen the scope and say that eczema should be included as an industrial disease, but in order for it to have effect it would have to be enacted by all provinces.

Mr. BOUCHER: Paragraph (e) of section 2 defines "minister" as meaning the Minister of Transport. Could the minister explain why that definition is confined to the one minister? Then, under section 12 the minister, meaning the Minister of Transport, may require any company, corporation, commission, board or agency to make contributions out of their payrolls. This act is not restricted to the Department of Transport, although the main intention may be to bring in the employees of that department.

Mr. CHEVRIER: Many years ago it was decided that the Department of Transport should be entrusted with the administration of this act for and on behalf of all other departments. Section 12 simply means that the minister may make regulations in so far as other departments are concerned as to how their employees should apply for compensation in the case of injury, death, industrial disease or otherwise.

Mr. FRASER: Section 12 refers to companies, corporations, boards and so on. The

Canadair company, which is out now, was set up by the government as a privately owned management company which was to act as an agency of the crown. Would a company of that kind be covered?

Mr. CHEVRIER: I do not know just what the position of Canadair is.

Mr. FRASER: It acted as agents of the crown for the production of transport aircraft.

Mr. CHEVRIER: The charter setting up a company such as the Canadair company could contain a section stating that it be covered. I do not know what the circumstances were in connection with that company, but all that such a company would have to do would be to ask that it be covered and it could be done by order in council. In that way no one would be left out.

Mr. FRASER: Has the minister a list of corporations and crown companies that are covered?

Mr. CHEVRIER: I have not it here.

Mr. FRASER: Is there a definite list?

Mr. CHEVRIER: There would not be a list.

Mr. FRASER: Should there not be one because of the position we are in at the present time with these different companies?

Mr. CHEVRIER: None of the employees of crown corporations, companies, et cetera as mentioned in that subsection will suffer in any way. If they are not covered by the act of incorporation, they can be covered by this section.

Mr. FRASER: I understand that the employees of the Canadian National Railways are checked, either annually or semi-annually, as to their physical condition. Is any provision made to have other government employees checked in a like manner?

Mr. CHEVRIER: This act does not cover the employees of the Canadian National Railways.

Mr. PROBE: In supporting the argument he was making a few moments ago, the Minister of Transport said that the workmen's compensation acts in the various provinces did not vary substantially. My impression does not bear out all that the minister said.

Mr. CHEVRIER: I think you will find that they do not.

Mr. PROBE: Will the minister be good enough to put on the record the compensation laws of the various provinces of Canada in support of his statement?

Mr. CHEVRIER: I can do that if my hon. friend insists but it would be a lengthy document. I presume what he would like me to put on the record is the position in Saskatchewan. If that is what it is, I shall be delighted to do so.

Mr. PROBE: I was not referring to that specifically, but I believe there is a fairly wide discrepancy.

Mr. CHEVRIER: With reference to temporary and permanent disability as well as benefits paid to widows and children, I think it can safely be said that the compensation payable is substantially the same in all the provinces. I am sure that the bill which we are bringing in contains greater benefits than any of them. Ontario, Quebec and Saskatchewan provide for advantages which are pretty much alike. There are some things done in Ontario which are not done in Saskatchewan, and vice versa. I presume my hon. friend is interested chiefly in the payments. In Saskatchewan, seventy-five per cent of the earnings of an employee are paid, whereas in Ontario, Quebec, Nova Scotia and the other provinces the percentage is 66⅔. In Saskatchewan the minimum compensation is $15 a week or the full wages if they are less than $15 a week, and in Quebec the minimum compensation is identical. In Saskatchewan the maximum compensation is based on a maximum salary of $2,500 a year, and this obtains also in Ontario and British Columbia. The maximum compensation in the other provinces is based on a maximum of $2,000.

Mr. PROBE: That is not in a form that can readily be put on the record?

Mr. CHEVRIER: No; it would be most inconvenient to do that. As I said a moment ago, there are some things that are done in the various provinces which are not done in Saskatchewan, but taking it all in all, the acts are substantially the same.

Mr. PROBE: That seventy-five per cent figure has been amended recently. I presume the minister is aware of that?

Mr. PEARKES: The government, including the Department of Transport, have entered into an agreement with the corps of commissionaires to supply guards for the various government buildings, and I believe the government deals with an organization known as the corps of commissionaires. Will the members of the corps of commissionaires when employed by the corps of commissionaires in guarding government property come under the provisions of this act?

Mr. CHEVRIER: No, for the reason they are not employees within the meaning of the word in section 2. I understand that they enter into a contract with one of the departments to do the work of guarding certain public buildings, and the interpretation of the Department of Justice is that they are contractors and not employees, so that they would not be covered.

Mr. PEARKES: According to a return which was tabled in answer to a question I asked a few days ago in connection with this matter, several departments are employing these men and dealing with the Department of Justice to which the minister referred. The return submitted by the commissioner of the Royal Canadian Mounted Police shows that the members of the corps will be covered by the dominion unemployment insurance regulations, whereas the replies I got from other departments indicated that they would not be, because they were hired through the organization rather than direct.

Mr. CHEVRIER: The hon. gentleman said unemployment insurance?

Mr. PEARKES: Yes.

Mr. CHEVRIER: We are dealing with compensation.

Mr. PEARKES: Will they be covered by this act as well?

Mr. CHEVRIER: No, for the reason given a moment ago.

Mr. FULTON: If the Canadian National Railways employees are not covered by this bill, would the minister say whether he proposes to bring them under it and whether the arrangements now covering them are as generous as the terms of this bill?

Mr. CHEVRIER: They are covered by the acts of the provinces. The answer to the last question is that they would be given the same treatment as if they came under this act because we are governed by the compensation regulations in the various provinces.

Mr. LOCKHART: A man worked for the Department of Transport for a few years and paid five per cent annually into the retirement or superannuation fund, and then he was injured and retired from the government service but he was not allowed to withdraw the five per cent he had paid in. Would he be covered by this act? He received hospitalization and is no longer an employee of the government. He is asking for the return of the five per cent he paid into the retirement fund, but through some regulation passed in a certain year he has not been able to get it. Is he entitled to anything under this bill?

Mr. CHEVRIER: No.

Mr. MacNAUGHT: The minister in reply to the hon. member for Kamloops said that Canadian National Railways employees were covered by the compensation acts of the provinces. In my province we have no compensation act. What provision is made for the employees there?

Mr. PROBE: You should have an act put through your legislature.

Mr. MacNAUGHT: I drafted one some years ago but it never got through.

Mr. CHEVRIER: In Prince Edward Island there is no compensation act. What is done in that case is that the compensation act of New Brunswick applies.

Section agreed to.

On section 3—Compensation and persons eligible.

Mr. MacNICOL: I understood the minister to say that the railway employees are not covered by this act. Then what is the meaning of these words in line 24 on:

> Provided that the benefits of this act shall apply to an employee of the government railways who is caused personal injury by accident arising out of and in the course of his employment or is disabled . . .

And so forth.

Mr. CHEVRIER: This act applies to the employees of the government railways but not to the employees of the Canadian National Railways.

Mr. MacNICOL: The Canadian National Railways employees are not included with the government railways employees in this bill?

Mr. CHEVRIER: No. The difference is this. There are some railways the title of which is still in the crown. For instance, the Prince Edward Island railways, the old Intercolonial railway, the National Transcontinental railway are known as the government railways and their employees are covered by this act. But the employees of the Canadian National Railways and the Canadian Pacific Railway Company are covered by the various provincial acts.

Mr. MacNICOL: Does that mean that the employees of the Canadian National Railways running west on the main line from Winnipeg are covered?

Mr. CHEVRIER: They are all covered whether they are Canadian National Railways

or government railway employees. The Canadian government railways employees are covered by this act, but the Canadian National Railways employees are not. The Canadian National Railways pay their own compensation under the various provincial acts. If my hon. friend were to look at the workmen's compensation act of Ontario he would find that in schedule 2 of the act provision is made for the railway companies paying their own compensation individually.

Mr. FRASER: The minister said that the Canadian National Railways employees are not covered by this act but that the government railway employees are. Do they receive an annual check-up to see whether they are in good physical health?

Mr. CHEVRIER: Yes; there is a physical examination of railway employees, but I do not know how often it is made.

Mr. FRASER: Does the minister not think it would be wise to have all the government employees checked once or twice a year to make sure they are in good health?

Mr. CHEVRIER: There is a difference between health insurance and compensation. This deals with compensation, the other with health and sickness.

Mr. FRASER: I know this is compensation, but if a man is not in good health he is more likely to have an accident. That is what I am getting at.

Mr. CHEVRIER: I do not think it follows.

Mr. MACDONNELL (Muskoka-Ontario): Would the minister elucidate one point arising out of an answer he gave a moment ago, pointing out that government railways is a phrase of different significance from Canadian National Railways. I appreciate that. When we get the annual report of the Canadian National Railways am I correct in assuming that it includes the operators of the old Intercolonial?

Mr. CHEVRIER: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Does that mean that the railway employees of the old Intercolonial have a different system of compensation from those who work on the old Canadian Northern, which became the Canadian National, or is the difference purely technical?

Mr. CHEVRIER: It is purely technical. The rate of compensation and the amount paid are the same in both cases, the only difference being that the Canadian National Railways, by virtue of an entrusting order, operates the Canadian government railways.

Mr. MACDONNELL (Muskoka-Ontario): In other words, the distinction is, so to speak, purely a history of the railways. It has no significance in respect of the actual operating conditions or the conditions of this compensation.

Mr. CHEVRIER: It has no effect with reference to the amount of compensation, if that is what my hon. friend means. In other words if an employee of the Canadian government railways was entitled to compensation he would not get less than an employee of the Canadian National Railways.

Mr. MACDONNELL (Muskoka-Ontario): Unfortunately he gets it under a different scheme, which is a matter of inconvenience to the operators.

Mr. CHEVRIER: It has worked out satisfactorily over the years.

Mr. McIVOR: I do not know whether this is the proper place to ask the question or not. Take a man who has served with a company for many years and is within two or three months of his pension time. If he leaves he does not get any pension. I know of one example of a conductor who served thirty-two years with the Canadian National and was not eligible for pension. It is true that the officials of the Canadian National gave him consideration, but it was not the same as a pension. At the moment, quite a number of Canadian National Railways employees are planning to do away with the railway pension and put it on a national basis in order that every man would contribute to a pension scheme from his earnings, so that in his old age he would get something or, if he passes on first, his wife would have something. Has this bill anything to do with that?

Mr. CHEVRIER: No.

Mr. BLAIR: Following up the questions of the hon. member for Peterborough West, may I say that I have been a railway surgeon for quite a few years. He suggested that there should be an examination. There is among employees on the railway one bone of contention which has to do with the question of hernias. I understand that the Canadian Pacific have instituted a regular check-up so that, when one of these things occurs, the compensation board have something to go on. It is a long and disabling condition. I would suggest that the minister who is speaking for the government railways institute a check-up. Even for the sake of that one injury alone it is worth while to have a check-up of the employees. The same thing would apply to

the employees on the canals or any other employee because, as I said, it has been a bone of contention all through the years. I have had cases where it was difficult to prove where you knew the man quite well, but when you came to make up the forms you could not say that this man did not have the hernia before the accident happened. You could say that on a certain day when he was examined he was quite all right. If you could do that you would have something, and invariably the compensation board would allow it. If the workman had to come back and prove it somehow it would be exceedingly difficult. For the sake of the workmen of the Department of Transport, the group for whom the minister is speaking, I would suggest that it would be a good idea to have a yearly checkup for the sake of that one injury alone.

Mr. CHEVRIER: I am not able to speak for the Canadian Pacific; I do not know what the position is there, but I do know that in the Canadian National Railways there is a clinic where the employees have an annual check-up. There is the main clinic in Montreal, and I understand that there are other smaller clinics in other parts of Canada where their employees receive an annual check-up. So far as the Department of Transport is concerned, there are no facilities for annual examinations, but I should be glad to have a look at it.

Mr. LOCKHART: I raise this point again under this section. I am thinking of the employee who receives a personal injury by accident arising out of and in the course of his employment. I have one case in mind and another one which has recently arisen. An employee was injured about six months ago and had to leave his employment. Is there any retroactive feature about this bill so that an employee can come under the benefits of this act?

Mr. CHEVRIER: Yes.

Mr. LOCKHART: Under circumstances such as I have described?

Mr. CHEVRIER: If his case has not been disposed of, section 10, subsection 2, would authorize the department to continue proceedings and award compensation if compensation is awardable.

Section agreed to.

On section 4—Compensation to employees of Prince Edward Island.

Mr. MacNICOL: Subsection 3 reads:

> An appeal shall lie from the decision of any board, officers or other authority determining the right to and the amount of compensation payable under this section to a judge of the supreme court of judicature of Prince Edward Island . . .

That is what I had in mind. If a workman is injured in a plant in Prince Edward Island or has an industrial disease contracted in a plant in Prince Edward Island he or his estate, if he died, would have an appeal from the decision of the board which said that this man had the condition before he had his accident, which is the usual term applied when a man is turned down. He or his estate has that right in Prince Edward Island, and I should like to see the same right granted in other provinces. In Ontario there is no appeal. If a workman is injured in Ontario and another one injured in Prince Edward Island the treatment accorded to these two individuals would not be the same in each province.

Mr. CHEVRIER: I do not want to add anything more than what I have already said. There is an appeal in Prince Edward Island because there is no compensation law in that province. They follow the law of New Brunswick which grants an appeal. I presume that is why the appeal was granted. Likewise in the Northwest Territories and in Yukon, a workman injured in the Northwest Territories is subject to the law of the Yukon ordinance which provides for an appeal, and that is why there is an appeal there. The remaining provinces do not provide for appeals. In order to cover the point raised by my hon. friend there would have to be an amendment to that part of the workmen's compensation act in the province where no appeal is granted.

Mr. MacNICOL: Can we not put it in this act so that a workman who is injured in Ontario and in New Brunswick would be treated in the same way? If a workman were injured in New Brunswick and he died from that injury his estate would have the right to appeal, but no such right is granted in Ontario.

Mr. CHEVRIER: That applies not only to appeals but to other matters, because there is a difference, although not a substantial one, between compensation as awarded by the various provinces.

Mr. MacNAUGHT: Will the minister elaborate on the necessity for the last two lines in subsection 3 which says:

> But no appeal shall lie from the decision of a judge in the first instance . . .

I cannot see the necessity for that.

Mr. CHEVRIER: I presume that was put in there so that there would be an end to appeals. The section provides for an appeal from the

decision of the board or the officers awarding or determining the compensation to the supreme court of judicature of Prince Edward Island whose decision shall be final. In order to have some finality, I presume it was decided not to have an additional appeal to a higher court.

Mr. MacNAUGHT: I think that is already provided for. It may mean that in New Brunswick probably on some occasion a judge has jurisdiction. If he has, then there is no appeal from him. Possibly there should be the same appeal from that judge as there is from the board.

Mr. CHEVRIER: I understand that is the case.

Mr. POULIOT: If I may be permitted, I do not think this applies to the employees of the former Intercolonial.

Mr. CHEVRIER: Yes, it does.

Mr. POULIOT: I thank the minister for that information. May I call his attention to some cases that are not satisfactorily considered by the provident fund. For instance, there is the case of a man who, alone, had to fire the furnaces of three boilers at Rivière du Loup. There were six doors to those boilers; they were fairly wide, and naturally there was an intense heat. One man had to do that work and it affected his health considerably. He went to the provident fund for superannuation, and the answer was, "Take liver pills; they will cure you at once".

I will tell you, Mr. Chairman, that most of the doctors of the Canadian National Railways are not humane and they treat some of the employees of the C.N.R. much worse than if they were dogs. Moreover, they are infallible. Those doctors are the scum of the profession, notwithstanding anything that can be said in their favour. Let me bring to the minister's attention the case of J. C. Beaulieu, fireman at Rivière du Loup. I have received no justice in this case. I wrote to the president of the provident fund and his answer was far from satisfactory. He told me he would submit the matter to the next meeting of the board in the first days of March. That was done and still the answer was negative. I know Mr. Beaulieu very well and he has been doing the work of three men when acting as fireman.

Mr. CHEVRIER: May I ask the hon. gentleman whether this is the case in which a railway worker was injured?

Mr. POULIOT: His health was injured. Of course he did not suffer visible burns on his hands, arms or legs, but the exposure of his body to the six doors of this furnace affected his system. His complexion is bad. He cannot do that work. He had no assistants. I am sorry to have to bring this case here, but I took every means I could to have a satisfactory arrangement made, and it is impossible to get a satisfactory answer from the compensation fund. There they are, and their duty seems to be to refuse to consider reasonable and justifiable requests from the men. I see my hon. friend the member for Davenport (Mr. MacNicol) nodding, I hope in agreement. Probably he has had some difficulty in the central region. I am not speaking of the Atlantic region.

I will tell the minister more than this. I have said it was impossible to get satisfaction from the provident fund. When I saw that, I wrote to the Quebec minister of labour and asked him to investigate the case, to send some competent man to see what could be done to improve conditions, because I did not want that man to die on duty. There are cases where men have been told that they were well when as a matter of fact they were ill. The doctor says, "You are well; you are well", and the first thing you know, the man dies on duty. He was so well that he was ready for heaven. This should not happen in a civilized country.

These doctors are the scum of the profession, even worse than the bureaucrats we have here. They should be fired and we should have decent men. There are many men who are competent and we should have competent doctors there.

I complain also of the Canadian National doctors in Montreal. They are awful. And in Quebec we have Delaney, who is a monstrosity. We hear something about the progress of the profession, but Delaney was put there by Borden years ago, and he is a procrastinating Tory and an ignorant doctor. He is there in charge of the men who go there and he makes the examination. There are others I could name, but I forget the names of some of them in Montreal. They are awful, and it is impossible for the railway employees to have their cases considered favourably by the doctors in charge of the provident fund in Montreal, Moncton, Levis and elsewhere. Therefore, before compensation is paid to the men, I think the provident fund should be fair to those who are entitled to their superannuation and who have paid their dues. They should get some advantage from that fund when they are in need of it.

I hope there will be provision in the bill. I know the minister is himself sympathetic to these poor fellows, who do not receive the consideration they deserve. I hope he will

arrange it so that the bill shall provide to have these men treated fairly. I want to see them treated with justice in the future.

Mr. MacINNIS: I do not know under what item the hon. member for Temiscouata was discussing the provident fund of the Canadian National Railways. I believe that is what he was discussing and I do not think it is covered here, but with all due regard for the hon. member, may I say this. I have no great veneration for the medical profession, but I do not think it is proper to call the doctors connected with any institution the scum of the profession. We should make such statements only when we have those men here so that they can defend themselves. Perhaps this item should be taken up in the railway committee when we are dealing with the affairs of the Canadian National.

However, the point raised by the hon. member for Temiscouata is something that everyone finds who is dealing with people who come under boards of this kind, and it arises from the fact that, after a short time, professional men dealing with so many cases come to regard not the individual—he disappears—but simply a case; and when they have a case it is not necessarily a human being but simply a case. The result is that the human relationship which exists between your family doctor and a member of your family does not exist here. We should try to get away from that sort of thing. The hon. member, however, is not quite fair—I hope he will excuse me for saying so—in the terms he has used. After all, if you sit in a smoking car and hear what the general public think of members of parliament, it is not a bit flattering either.

Mr. CHEVRIER: May I have a word in connection with the case raised by the hon. member for Temiscouata. What the hon. member was dealing with—and I say this with respect to him,—was not a case of compensation under this act. It was a case of pension under the provident fund, which is an entirely different matter. The case of the fireman whose health was affected I have reason to believe is such as my hon. friend says it is. But this act as it is framed deals not with the health of individuals but with accident which causes injury or death or with industrial disease or with pulmonary tuberculosis as we shall see in a moment, I hope. The case my hon. friend deals with is not one which I think is covered by any of the sections of this act, as I understand it. With reference to railway employees, discussed a moment ago, I told the committee that the Canadian National employees and, I presume, the Canadian Pacific employees were not covered by this act. The only employees covered by this act are those of the Canadian government railways. The medical men of the railways with whom the Department of Transport has to deal, have certainly been found by us to be competent in every way.

Mr. POULIOT: I have just one word to say. Of course the hon. member for Vancouver East is entitled to have his own opinion; but he is not familiar with the condition in eastern Canada, which is very bad. I would not condemn all doctors of the Canadian National Railways, but the exception confirms the rule. There may be someone who may be good, but when we have a case that we know is a worthy one, and when it is impossible to get a satisfactory answer from the learned faculty, the only thing to do is to realize that there must be a nigger in the woodpile. I will explain the point to the minister. There is, of course, a difference between a man who breaks his arm, breaks his leg or loses an eye in an accident, and a man whose health is destroyed gradually because of his work for the railway or for any other organization. But in both cases the result is the same. The only difference is that in the former case the result of the accident is seen at once, and in the latter case the health is destroyed gradually. It may take years to affect the man to the point that he is unable to continue his work satisfactorily. What I want to tell my hon. friend is that no one can argue with those doctors. Their decision is final and they never make a mistake, according to themselves. When it is established to them that they have made a mistake, they will never admit it, and the report goes out that the man is well. This I find to be wrong and unjust. It is impossible to discuss the thing with them. Even with certificates from independent doctors establishing that the man has lost his health in doing a certain kind of work under abnormal conditions, it is impossible to make them change their opinions. Against such a condition I protest strongly; and I will tell the minister that it would not be fair to these men not to incorporate in the bill provision for those who suffer gradually but who suffer more than those who happen to be the victims of an accident and may be cured of a disability.

Mr. McLURE: Is it because Prince Edward Island has no compensation act of its own that it is attached to New Brunswick?

Mr. CHEVRIER: Yes.

Mr. McLURE: In that case anyone meeting with an accident in our province would, in

the minister's opinion, have just as square treatment as if Prince Edward Island had an act of its own?

Mr. CHEVRIER: That is right.

Mr. McLURE: He would come under all the conditions provided under the act in New Brunswick?

Mr. CHEVRIER: That is right.

Mr. HAZEN: Is there provision in this bill for an appeal in the case of an employee?

Mr. CHEVRIER: In New Brunswick?

Mr. HAZEN: No, in any other part of the country.

Mr. CHEVRIER: No. What guides the Department of Transport in the administration of this act is the provincial law. My hon. friend from Prince Edward Island rose to point out what the position is in that island. The law of the compensation board of New Brunswick applies, and, as I understand it, New Brunswick has an appeal. That being so, there would be an appeal from a decision of the board not only in Prince Edward Island but also in New Brunswick, but not in any other province save the Northwest Territories and Yukon.

Mr. HAZEN: They are the only others who do have an appeal?

Mr. CHEVRIER: Yes.

Mr. MacINNIS: What is the meaning of the words in the second last line of subsection 3, "but no appeal shall lie from the decision of a judge in the first instance"?

Mr. CHEVRIER: That means that there is not more than one appeal. There is an appeal from the judgment of the board or the officer determining the compensation; but, after that, there is no appeal.

Mr. MacINNIS: But if that officer should be a judge in the first instance, there is no appeal from his decision. Is that what it means?

Mr. CHEVRIER: That is right.

Section agreed to.

On section 5—Northwest Territories.

Mr. JAENICKE: I read recently that the residents of the Mackenzie river region protested about having been included with the Yukon Territory in connection with representation in parliament. Have they been consulted as to whether the law of the Yukon Territory should apply with regard to the Northwest Territories rather than that of some other province?

Mr. CHEVRIER: No, they were not consulted. There is no law in the Northwest Territories or no ordinance governing compensation. What is done in this case is the same as is done in the case of Prince Edward Island. There is in the adjoining territory of Yukon an ordinance covering compensation; and what this act does is to make that ordinance applicable to the Northwest Territories.

Mr. JAENICKE: Would it not be more convenient to have the Alberta law apply rather than the law of the Yukon Territory?

Mr. CHEVRIER: The officers of the department thought otherwise.

Mr. JAENICKE: Would residents of the Northwest Territories not require to go to the board of Yukon in order to make their representations? That would in my opinion be inconvenient as far as travel is concerned.

Mr. CHEVRIER: There is no board in Yukon. It is done by means of an officer of the department who deals with the cases and who puts into operation the tariff and the compensation as covered by Yukon ordinance.

Mr. MacINNIS: My understanding of the workmen's compensation act in Yukon is that it is inferior to the acts in at least some of the provinces, such as British Columbia, Ontario and perhaps the other western provinces. I think it is unfair to the residents of the Northwest Territories, when the provisions of the provincial acts do apply, that they should be put under Yukon law where the compensation law is inferior to that of some of the other provinces. I think there is a great deal of merit in what has been said by the hon. member for Kindersley. While I am not very familiar with the compensation act in Alberta, I think it is superior to the compensation law in the Yukon Territory, so that it would seem only fair that the Northwest Territories should be placed under the Alberta law or the Saskatchewan law, whichever would be most convenient.

Mr. CHEVRIER: If that argument were carried to its logical conclusion, then I suppose any province in which a workman was insured could say that the employee should be entitled to the benefits paid in that province which was most generous. For instance, British Columbia pays compensation for pulmonary tuberculosis, which is not done in any other province. If the argument of my hon. friend were carried to its logical conclusion, a person suffering from tuberculosis in Nova Scotia would be entitled to claim the benefits paid under the law of British Columbia. In a sense

it is perhaps unfortunate that it is not possible for the federal government to set up a separate organization. I dealt with that matter a short time ago in answer to a question raised by the hon. member for Davenuport. If we were to accept the argument of my hon. friend, however, the same point could be raised in Yukon. However, I can tell the hon. gentleman that there are very few cases in the Northwest Territories or in Yukon. I do not know the number, but I am told that over the period of a year there would be very few, and that there are still less now that the war is over.

Mr. MacINNIS: I do not believe the minister is using his usual good logic in this matter. Government employees in Nova Scotia would be covered by the compensation law of that province.

Mr. CHEVRIER: That would be the case with government employees in the Northwest Territories, also.

Mr. MacINNIS: But in the Northwest Territories there is no compensation law, and you are placing them under the compensation law of Yukon. I say you are putting them under an inferior compensation law when there is a superior law just as close, if not closer. I am suggesting to the minister that he reconsider this and put government employees in the Northwest Territories who come under this act under the law of Alberta or Saskatchewan, whichever may be most convenient.

Mr. HERRIDGE: In support of the argument advanced by the hon. member for Vancouver East, I wish to say that in this case I do not believe the minister is as logical as usual. The other provinces and Yukon have compensation laws. In the case of the Northwest Territories the government is in the position of being able to make a choice, because they have no compensation law. We are pleading with the minister to make the best possible choice for the men in the circumstances.

Mr. GIBSON (Comox-Alberni): In support of the hon. member for Vancouver East, I would point to the physical difficulty of getting mail into Yukon, where I presume the headquarters of the compensation board would be located. That would be very difficult, and would take a long time.

Mr. JAENICKE: With great respect to the minister, I do not think his argument is valid. Prince Edward Island does not have a compensation law, and you provide that the law of New Brunswick shall prevail. Why not apply some provincial law to the Northwest Territories?

[Mr. Chevrier.]

Mr. CHEVRIER: That is exactly why we apply the law of Yukon to the Northwest Territories.

Mr. MacNICOL: On the question of the Northwest Territories being associated with Yukon, I may tell the minister there are two high ranges of mountains between the Mackenzie territory and Yukon. I have flown over them, and they go as high as 9,000 feet. There is no transportation between Yukon and the Northwest Territories unless you go away down to Fort Nelson and then back up again. I think the hon. member for Vancouver East has a point there, and it might be better to put these people under Alberta or British Columbia instead of Yukon, where it is difficult to maintain contact.

Mr. CHEVRIER: I think there is some misunderstanding on the question of transportation. There is no difficulty in dealing with cases arising in the Northwest Territories because the law applicable is that of Yukon. Any accidents that may occur are dealt with by an officer of the Department of Transport in Ottawa. If hon. members will look at the act they will see a provision that, where no board exists, or court or officer or other authority to determine the amount of compensation when an accident occurs in the Northwest Territories, the compensation payable is determined by an officer of the Department of Transport in Ottawa, so that no difficulty arises in connection with the dispatch of mail, or because of geographical obstacles.

Mr. NICHOLSON: But is it not the case that the settlement is made on the basis of the lower compensation?

Mr. CHEVRIER: That is right.

Mr. NICHOLSON: Is there any reason why the minister should not reconsider this point? I do not imagine many workers are involved; and the minister might decide that for the purposes of this act settlements will be made on the basis of the compensation paid in Alberta. Would he not consider the matter during the dinner recess?

Mr. CHEVRIER: I have given this point serious consideration, and I do not believe any reconsideration during the dinner hour would change the issue. I thought the hon. member for Vancouver East was raising the point that the government pays lower compensation in the Northwest Territories, including Yukon, than it does in other provinces; and in order to give him satisfaction one would have to amend the workmen's compensation ordinance of Yukon. That

authority is administered by the commissioner of Yukon, and the suggestion would have to be considered by that department.

Mr. MacNICOL: Would there be competent medical men in the Northwest Territories well versed in industrial accidents and diseases who would be able to make a thorough report to Ottawa for the information of the officer of whom the minister spoke?

Mr. CHEVRIER: I am informed that there are, that we get the usual reports from them when an accident occurs or a disease is contracted.

Mr. MacNICOL: I am afraid the minister's information is entirely wrong. I should say it would be out of the question that there should be medical men at Yellowknife, for instance, as competent to survey industrial accidents and diseases from that point of view as other medical men elsewhere might be.

Mr. HERRIDGE: Does the department use the machinery of the compensation boards already established in the provinces?

Mr. CHEVRIER: Yes.

Mr. HERRIDGE: Then I think that gives added validity to our argument. A man in Yukon would not have his case studied by medical men having long experience in dealing with compensation cases.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacINNIS: We were discussing section 5 when the committee rose at six o'clock. It seems to me that the minister was trying to create difficulty over the point that I raised, difficulties which to me are not inherent in the statement I was making. I think all that is necessary to be done is to change the last words in the section, "Yukon Territory" and substitute therefor the province of Alberta or any other province that the minister would care to insert. If a person was seriously injured in the Northwest Territories and he was covered by this bill I imagine that the obvious thing to be done would be to fly him to Edmonton, Prince Albert or some other nearby city where the doctors and staff of the provincial board would be available.

Mr. CHEVRIER: The reason why accidents which might occur in the Northwest Territories were made subject to the laws and ordinance of Yukon Territory is that conditions of employment in Yukon and the Northwest Territories are alike. The question of treatment which has been raised by my hon. friend has nothing to do with the matter of compensation. It might be that the injured person would have to be flown to Vancouver, depending upon the nature of the injuries, or he might be flown into Edmonton or some other place, but he would be subject to the laws of Yukon. I asked my officers to find out the number of accidents that had occurred in the Northwest Territories and Yukon, and I find that in the fiscal year 1944-45 there were no claims from either of those territories; in the fiscal year 1945-46 there were two claims which were settled, and thus far in this fiscal year there have been no claims. In view of the small number of claims I think we were justified in drafting the section as it has been drafted.

Mr. MacINNIS: I do not think the number of claims is at issue at the moment; we are dealing with a principle. The government has seen fit, and I congratulate it, to cover government employees in Yukon, but I am looking forward to the day when, under the progressive policies of my Liberal friends there will be a large population in the Northwest Territories and then most likely more accidents will occur, although we do not look forward to that result. Seeing that the government is placing the employees in each province under the compensation act of that province, I think the logical thing to do, when there are no compensation laws in a district, is not to put the employees of that district under the antiquated compensation laws of another district. I submit that the compensation laws of Yukon are certainly not good.

Mr. CHEVRIER: They are not antiquated.

Mr. MacINNIS: Maybe they are not old enough to be antiquated, but they are not satisfactory to the workers in Yukon. I had a long brief from the miners in Yukon less than a year ago and I have a fairly good idea of the laws in that district.

Section agreed to.

Sections 6 and 7 agreed to.

On section 8—Disability or death from pulmonary tuberculosis contracted in government operated hospital or sanatorium.

Mr. HAZEN: It seems to me that this section is good and proper in view of the way in which the bill has been drafted, but in my humble opinion the bill has not been drafted properly. I should like to go back and refer

to section 3, which provides that an employee who is caused personal injury by accident arising out of and in the course of his employment will be eligible for compensation. There is no definition in the bill of the words "injury by accident". As I read the bill, "injury by accident" by this section would mean only industrial disease. The bill does not provide that infectious disease is necessarily injury by accident. It is provided under the British workmen's compensation act—and this was decided by the courts over forty years ago—that an infectious disease not classified as an industrial disease may be an injury by accident. This bill contains no such provision, and it seems to me that the words "injury by accident" should be interpreted in the interpretation section in order that the boards which will administer these matters—there is no appeal from most of these boards—will have something to go by when it comes to interpreting those words.

We had some discussion about this matter last year when the bill to compensate merchant seamen was before the house. I do not want to go through all that again and I have not looked up the English cases since, but it does seem to me that there should be an interpretation of the words "injury by accident" which would be wide enough to include infectious diseases which are not classified as industrial diseases. It has been held in English cases for over forty years that the words "infectious diseases" come within the meaning of the act. I think we are not doing justice to the employees and workmen whom this bill is intended to protect unless we have a definition of that kind and unless we go so far as to provide in the act that infectious diseases in some cases at least are industrial diseases.

Mr. CHEVRIER: I remember the discussion we had of this question on a previous occasion when it was raised by the hon. member for St. John-Albert. He states that there should be a definition of "injury by accident". It goes back to the discussion we had this afternoon and the other evening. If we are to accept the decisions of the provincial boards of what is an accident and what is an industrial disease we have no alternative but to do as we are doing here. If we do not do that; if we were to set up a new and entirely separate body, as was suggested this afternoon, I presume that we could cover cases such as those to which my hon. friend has referred. But in order to save a great deal of expense we have decided to use the machinery already set up in the provinces, and in doing that we do not define what the diseases are. We simply define what an accident is and leave it to the provinces to say whether an infectious disease is an industrial disease within the meaning of the act. I think that is the proper procedure to adopt; at least it is what I have been informed should be done.

Mr. HAZEN: The only point I wish to make is this. As the act is worded, some employees at least who should get the benefit of the act will not benefit by it. They may suffer an infectious disease owing to and in the course of their employment. Nevertheless the interpretation that has been put upon the words "injury by accident" by the boards in many provinces is not wide enough to cover them. It is not what I consider the just interpretation that has been given to these words by the British courts. The boards have limited the meaning of these words, and the consequence is that some men who will come under this act will be deprived of the benefits which they should receive under it.

Mr. MacNICOL: Section 8, from line 34, reads:

> . . . where an employee is disabled or his death caused by pulmonary tuberculosis due to the nature of his employment and contracted within twelve months previous to the date of disablement while employed in a hospital or sanatorium operated by the government of Canada wherein tuberculosis patients are treated . . .

That is all very well for employees who contract tuberculosis in hospitals, but tuberculosis also occurs in plants and in other places. It may occur in some of the many plants which the government are now operating. I have known many men in my time, as I am sure the hon. member for Huron-Perth has too, with his wide experience in foundry machine-shop practice, who contracted tuberculosis perhaps through working in a damp part of the plant. The dampness and dust sometimes bring on tuberculosis, but it is impossible to get the boards to agree that the tuberculosis which these men contract is a result of their employment. I have known a number of them myself who contracted tuberculosis, as the family physician would certify. I have the highest regard for the family physician. His heart is with his patients. I agree to a large extent with what the hon. member for Temiscouata said in words much better than I could use in reference to medical boards set up by governments and doctors working on government staffs. Obviously the family practitioner would be much more sympathetic to his patient than a government doctor would be because, as the hon. member for Temiscouata wisely said, he would have a personal interest in the patient,

whereas a government doctor does not need to care particularly because he has an assured position anyway.

I want to be sure that section 8 covers those workmen who contract tuberculosis in a government institution outside a hospital, because they can contract tuberculosis working in a plant, and I can assure the minister that it is next to impossible to prove before any compensation board that the tuberculosis was contracted during the course of their employment. It is not much use trying. I have tried several times on behalf of men who, I firmly believe, contracted tuberculosis during the course of their employment in a plant, but it was a sheer waste of time to try to convince the board that that was the case.

I should like to feel that this bill would cover the government's own workmen working in its own institutions other than hospitals. Take, for instance, the work the government is constructing on Snare river north of Yellowknife. Men there may fall into the water and contract tuberculosis through exposure. Those men should be protected by compensation just as much as the employees who contract tuberculosis through working in a sanatorium. I am interested in this matter because of a long association with working men. I commend the government for what it is doing for the working man in this bill. The bill is wide and even goes outside Canada to protect government employees, and the minister deserves credit for that, but I should like to see it wide enough to cover the case of a workman, no matter where he may be, who contracts tuberculosis while working in any government plant, and if he dies his estate should have the right to compensation.

Mr. CHEVRIER: The object of this section was to protect any government employee who might contract tuberculosis in a hospital through contact with patients. It was thought advisable to cover cases of that kind. The hon. gentleman asks if the bill covers employees who have contracted pulmonary tuberculosis in the course of their employment in government plants. The answer is no, unless they are covered by provincial legislation. The experience thus far has been that there have been no claims, at least that have come to my attention, of employees contracting tuberculosis in government plants. For that reason it was felt that this section would cover the situation.

Mr. DIEFENBAKER: What about hospitals?

Mr. MacNICOL: In some cases it is impossible to get them past the compensation boards because they have made their decision; they have taken their stand against the man and are determined not to let him get compensation. Once the compensation board have given their decision they think it is like the laws of the Medes and Persians; their decision cannot be changed. In New Brunswick they have the right to appeal to the judge. I would take a chance before a judge because he would not be interested except in giving justice. He would call all kinds of medical men to give evidence and advice. Once a compensation board have come to a decision that tuberculosis is not caused in a plant, they will not change their decision and that is why nothing has come to the minister's attention in that regard.

Mr. CHEVRIER: In answer to the hon. member for Lake Centre, there has been one case.

Mr. BLAIR: The minister has taken a step in the right direction in introducing this legislation, but I doubt whether it goes far enough. It all gets back to the question on which I spoke this afternoon. Employees in a tuberculosis sanitarium will have to be examined before they go in. It should be necessary that they be X-rayed before they are taken on employment by the government.

That brings up another question. Some times before the disease is noticed these people live with their families, and after they are admitted to the sanitarium as a patient we find that several of the children are infected. The children then have to be dealt with according to the legislation for tuberculosis in that province.

Would the minister consider putting in a section which would make it necessary for these people to be tested before they are employed in tuberculosis sanitaria and also something for the protection of the families of these men who might be infected afterwards?

Mr. CHEVRIER: I am informed that the regulations will cover periodical examinations, not only examinations of these employees before they enter the hospitals and when they are discharged but also periodically while they are there.

Mr. FRASER: That brings up the question I asked earlier this afternoon. Why not have all the employees checked at least once a year?

Mr. CHEVRIER: That would be a matter for the provinces.

Mr. FRASER: I do not know; they are all employed by the government.

Mr. CHEVRIER: No. This legislation uses the services and the administrative offices of the workmen's compensation boards in the various provinces, in so far as section 8 is concerned, because section 8 introduces a new principle and extends the principle of compensation to cover tuberculosis as an industrial disease. For that reason regulations have to be authorized under this section. That is why I gave the answer I did to the hon. member for Lanark.

Mr. FRASER: Here we have a bill to pay compensation after something has happened; but we have the national health department spending millions of dollars. Surely they should step into something of this kind and give examinations at once to the men and women, and at least once a year. It is preventive.

Mr. DIEFENBAKER: Section 8 endeavours to achieve a laudable object with which I am in agreement, but I am afraid that the wording of this section will defeat the intention of the draftsman. The section reads:

> The governor in council may make regulations prescribing conditions under which compensation shall be payable, the amount of compensation payable and the manner in which compensation shall be determined . . .

Why the words: "prescribing conditions under which compensation shall be payable?" This leaves wide power to the governor in council. As a matter of fact it does not provide for payment to persons who are disabled or suffer death through pulmonary tuberculosis contracted while employed in a hospital or sanitarium. It leaves power to the governor in council to prescribe the conditions under which compensation shall be payable. I think these words are unnecessary. The minister should reconsider the redrafting of the section to provide, first, that compensation shall be payable under these circumstances to each and every employee who is disabled or whose death is caused by pulmonary tuberculosis while employed in the hospital or sanitarium; then, second, that the power to make regulations shall be available. This is simply a permissive section. It in no way provides that compensation shall be paid.

It provides further that the governor in council shall make reservations prescribing conditions under which compensation shall be payable. That is a peculiar term. I do not know what it means. Possibly there may be some explanation as to its meaning, but in any event it does not first create the absolute right of the individual who incurs this disease to compensation; it provides only that the governor in council may make regulations providing for the payment. I suggest reconsideration and redrafting that part of the section. As a matter of fact, as I look over the act—and I have looked over the workmen's compensation acts of the various provinces—I know of no case in which such a section has been provided. It merely creates a permissive condition; it does not obligate the government to compensate an individual suffering from this disease; it merely provides that the governor in council may prescribe the conditions. The governor in council might say, you have to work there for a certain length of time; if you did not have an examination when you first went in you are not entitled to compensation. All kinds of possibilities are there.

As I said a moment ago, I suggest that the section should be reworded to provide that an employee who is disabled or whose death is caused by pulmonary tuberculosis because of the nature of his employment, and contracted within twelve months prior to the date of disablement, while employed in a hospital or in a sanatorium operated by the government of Canada, and so on, shall be entitled to compensation within the meaning of this act.

Then subsection 2 would provide power to the governor in council to make the necessary regulations as to the amount of compensation payable and the manner in which such compensation shall be determined.

Mr. CHEVRIER: I say to the hon. gentleman that there was a clear intention when this section was set up. The intention was to cover something which is not already covered by certain of the provinces.

Mr. DIEFENBAKER: That is right.

Mr. CHEVRIER: I think the intention is clearly set out in the section as it reads, namely, that the governor in council may make regulations prescribing conditions under which compensation shall be payable. There is therefore the intention in the section that regulations should be made under which compensation shall be payable.

Mr. DIEFENBAKER: Regulations prescribing conditions.

Mr. CHEVRIER: I shall deal with the other point afterward. My understanding of the section is that it sets out the intention, which is to pay compensation under the circumstances set out in the section.

Then my hon. friend says that the governor in council may make regulations prescribing conditions. There are no conditions under which employees suffering from tuberculosis

may claim compensation, save in one province I know of. That being so, someone has to set out the nature of the conditions under which compensation shall be determined, whether it shall be under the law of the province of British Columbia or under conditions such as may appertain in another province. The Department of Justice, who have looked at the section feel that it answers the purpose and that it means exactly what it was intended to mean, namely, that the compensation for these cases shall be payable. To add weight to what I have said, I would ask the hon. member to look at the last words of the section: "and compensation shall be payable in accordance with such regulations." There is therefore a repetition not only of the intention but of the enacting power to pay compensation in that case.

Mr. DIEFENBAKER: But suppose regulations are not made; then there is no compensation payable, none whatever, to those suffering from pulmonary tuberculosis contracted while working in a hospital. In other words, parliament is leaving it to the governor in council to determine the right to make provision in that case. I would ask the minister to answer this question. Does he suggest that different conditions would attach to the right of an individual to be paid compensation in Ontario from those that would obtain in Nova Scotia? He said a moment ago that, as far as British Columbia is concerned, that province already has provision for it under the British Columbia workmen's compensation act, and he said that in other provinces the conditions might be different. Is it intended that the conditions shall be different in each province outside British Columbia?

Mr. CHEVRIER: No. It is intended that the regulations shall be uniform.

Mr. DIEFENBAKER: Yes, but the minister made that statement.

Mr. CHEVRIER: When I made the statement what I meant to convey was that there were already regulations in British Columbia, and while it might be found that they were the best and those regulations might be followed, it did not necessarily mean that they would be, and there might be an improvement on the regulations as enacted in that province.

Mr. DIEFENBAKER: Possibly it would clarify the matter if the minister would inform the committee of the nature of the conditions in respect of which the governor in council would make regulations. What are the conditions under which compensation shall be payable? I thought compensation was to be payable when a person working in a hospital became disabled one year after commencing employment. What other conditions will determine the right of an individual to compensation?

Mr. CHEVRIER: I am afraid I cannot give my hon. friend the conditions under which regulations would be made, because they have not yet been made, and, further, the conditions would have to be determined in consultation with another department, the Department of National Health and Welfare, which is vitally interested in this section. What we are asking for here is the power to enact regulations to take care of cases such as are covered in section 8. My hon. friend asks, what assurance have we that that will be done? The only answer I can give is the similar assurance we have in other cases, namely, that the governor in council will not thwart the will of parliament but will enact regulations under the power we now seek.

Mr. HACKETT: Will the minister allow me to ask from another angle the question which the member for Lake Centre has asked. Turning to section 2, paragraph (c), are any of the companies, corporations, commissions, boards or agencies referred to in this paragraph under benefits prescribed by provincial acts?

Mr. CHEVRIER: Perhaps I can answer that in the way in which I answered the hon. member for Peterborough West, who asked the same question this afternoon. Some of these corporations, bodies and companies mentioned in paragraph (c) are already covered by the charter which incorporates them as a body corporate. Some are not, and those that are not can be covered by this paragraph. Does that answer the question?

Mr. HACKETT: Yes, it answers it, but I thought that possibly if section 8 which is under discussion were amended to make it clear that all that escaped from the section are the companies in paragraph (c) which fall under provincial legislation, the loophole which the hon. member for Lake Centre has pointed out would have been closed and there would be certainty that everyone was covered.

Mr. CHEVRIER: Section 8 will apply to the group mentioned in paragraph (c) of section 2.

Mr. SMITH (Calgary West): Would it not be a simple matter just to have the statute provide that compensation shall be payable in the case of persons becoming disabled or dying from the disease within a given time,

and then give the government authority to make regulations carrying out the wish of parliament as expressed? With great respect, sir, as I read it now—and I do not think I am wrong—it simply says that the governor in council may make regulations prescribing conditions and so on. If we pass it now, in view of the minister's answer that he has no idea what these regulations are, then we are passing something which is completely in the air and must be entirely meaningless. This is parliament speaking, not the regulations speaking, and if we simply said that, in the case of persons being disabled by this illness within twelve months, or dying from an illness contracted within twelve months after entering employment, compensation would be paid, we would know exactly what we are doing and we would be content that the government should make regulations carrying out the direct will of parliament. It is, I think, a matter of some moment. It is not merely a matter of wording, because we as a parliament should say that they shall be entitled to the compensation. Then we could go ahead and make the regulations and no one would complain about it. But it is the indefinite way in which it is worded that bothers us.

Mr. CHEVRIER: I am informed by those who drafted the bill that that is exactly the meaning of section 8; that what my hon. friend advocates now is in effect what section 8 says.

Mr. SMITH (Calgary West): I am awfully sorry, but whoever is advising the minister should take another look at it.

Mr. KNIGHT: I am not a legal man, but from the point of view of the words it is a matter of confusion as between the terms "regulations" and "conditions." To my mind, the condition under which this compensation shall be paid is the condition of the person contracting tuberculosis, and the regulations should be made to fit that particular condition. But that is the condition as I see it.

Mr. FRASER: If the employee is disabled he is out. I think the words "contracted pulmonary tuberculosis" should be in there, because if a man has it he might only have been checked up by the medical officers and found to have a mild case of it and he would not want to continue until he was disabled. I think the whole section should be cleaned up and that put in there. If he has contracted tuberculosis, it should be in that act.

Mr. HAZEN: Might I ask the minister a question?

Mr. FRASER: I think the minister ought to answer that.

[Mr. A. L. Smith.]

Mr. CHEVRIER: I feel that I have answered my hon. friend. He has asked that question now on more than one occasion.

Mr. FRASER: I know, but the minister has not made it clear whether a man must be absolutely out, unable to work, before this operates.

Mr. CHEVRIER: My hon. friend wishes me to give a legal opinion on this section, and I do not intend to do that.

Mr. FRASER: No. I desire to see that the man gets a fair deal.

Mr. CHEVRIER: All that I can tell my hon. friend is that section 8 provides something which no other provincial act, save perhaps one, does. It extends compensation to government employees who contract tuberculosis in the course of their employment in government hospitals and sanatoria. That is what the section does, and I am afraid I cannot go any farther.

Mr. FRASER: It does not say "contract". It says "disabled". Therefore the man, even if he did have tuberculosis, would continue until he dropped before he would get compensation.

Mr. CHEVRIER: If my hon. friend reads the section correctly he will see that it says:

> . . . where an employee is disabled or his death caused by pulmonary tuberculosis due to the nature of his employment and contracted . . .

Within a certain period prior to the date of disablement. There are the words.

Mr. FRASER: Yes, but he must be disabled before it is proven that he contracted it.

Mr. CHEVRIER: He certainly must be disabled before he can claim compensation.

Mr. HAZEN: Why is the compensation to the employee limited to within twelve months prior to the date of disablement? I can well visualize a case where a man contracts this disease and where he may continue working in the institution for six or eight months or more before anybody realizes that he has the disease. He may continue working there, or he may have worked there for a considerable time. He may have contracted the disease, say eighteen months prior to the date of disablement. He may have been working there for eighteen months and then it is discovered that he has this disease. In a case like that, why should the man not receive compensation?

Mr. CHEVRIER: The reason why the twelve months is put in there is that in most of the provincial enactments there is a limitation of twelve months for contracting an indus-

trial disease; and this tuberculosis is in the nature of a disease and is so considered under that section.

Mr. HAZEN: Does the minister not agree with me that a man might work in an institution for eighteen months before it was discovered that he had this disease and before he became disabled? In a case like that he would not be entitled to compensation, the way this section is worded. It hardly seems to me that that is fair or right. If he is engaged and has worked in the institution, say for eighteen months, and then becomes disabled, as this section is worded he is not entitled to compensation. The disease must be contracted within twelve months prior to the date of his disablement. He may have worked there for eighteen months before he became disabled, and he may have contracted the disease prior to the twelve months and yet not be entitled to compensation if the disease is not discovered and if he is not unable to work. Suppose he has worked for eighteen months and nobody knows he has the disease; then, as I read this section, he is not entitled to anything. Surely that was never the intention. While I am on my feet, may I ask one more question? Why is this section limited to pulmonary tuberculosis? Are there no other forms of the disease that a person may get while working in one of these institutions?

Mr. CHEVRIER: I will answer that question later. I am trying to find out whether there is any other kind of tuberculosis in our hospitals.

Mr. POULIOT: Before the minister answers, I wish most sincerely to thank the hon. member for Davenport for his kind support. He has proven once more that he is the friend of the underdog; that he wants to protect the humble and the poor who suffer in this country, and he deserves the highest praise for that.

With regard to section 8, this is most progressive legislation and the minister should be given credit for it. I read in the previous section something about one who is disabled by a disease due to the nature of his employment. This is exactly the case that I referred to this afternoon. It was an industrial disease due to the nature of his employment, and it was not acknowledged by those who should have noticed it and should have granted what the man was asking for. If this law does not apply anywhere else than in Yukon and the Northwest Territories, I hope that the same spirit will prevail throughout Canada and that instructions will be given to the doctors of the Canadian National Railways to be more careful in examining the men who come before them.

Mr. MacINNIS: I, of course, cannot add anything to all the legal lore that the lawyers have woven into this section up until now. I do not suppose it matters a great deal, but whenever a lawyer looks at a section, I always think he looks for ways in which he could get a litigant out of it if it came before him. I think the important thing here is that the government has recognized pulmonary tuberculosis as a compensable disease, and is making provision for it in this act. I think, if the section is as satisfactory as the minister says it is, the regulations under the act should provide for examination not only before the person was engaged, but for periodic examination; because it would be much easier for the government, with an examination every twelve months, say, to take a case before the person was disabled than it would be to wait until after it had found the incidence of tuberculosis, and then leave it until the person could not work. I do not suppose the government would do that sort of thing, but that is the important thing in regard to the regulations. If care is taken to see that the regulations are drafted accordingly, I have nothing further to add to this part of the discussion.

Mr. BLAIR: I think this should be drafted more clearly, because a man who is a tuberculosis suspect will receive the same treatment under the compensation board as though he actually had the disease. Suppose they X-ray a man and find a suspicious shadow. He will be given bed rest and treated as a tuberculosis case, and will be eligible for compensation. As far as "pulmonary" is concerned, it must be assumed that if he contracts any kind of tuberculosis while working in a sanatorium he will be eligible for compensation board treatment. There is no other place he could get the disease. I think it would be well to strike out the word "pulmonary". A man may be a suspect and given bed rest for perhaps six, eight or nine months. During that time I believe he should draw compensation.

Mr. CHEVRIER: The reason the word "pulmonary" is put in before "tuberculosis"—and this also answers the question of the hon. member for St. John-Albert—is that in these hospitals and sanitaria we have only patients suffering from pulmonary tuberculosis. Therefore the employees, male or female nurses in the employ of the government, working there are liable to contract only that kind of tuberculosis.

Mr. BLAIR: Because a man is working in a sanitarium, it does not follow that if he contracts tuberculosis it will be pulmonary; he may get it somewhere else. It is the same bug, as far as that goes. It does not follow that, because he is handling a case of pulmonary tuberculosis, he will contract only pulmonary tuberculosis himself. He may get tuberculosis in some other part of his body. As far as compensation goes, suppose he gets tuberculosis of the bone; a pulmonary tuberculosis patient may be the source of the infection. I think the Minister of National Revenue will agree with me.

Mr. CHEVRIER: Of course I am not a medical man like my hon. friend, but before we drafted this section we consulted the medical men of the Department of National Health and Welfare, and after a great deal of discussion with them and with the officers of the Department of Justice this is the section it was thought would best cover all these circumstances.

Mr. SMITH (Calgary West): Does the minister not think he should let this section stand so that it might be redrafted? Consider the point raised a moment ago by the hon. member for St. John-Albert. I am not a doctor, but we all know persons contract tuberculosis over a long period of time, as we have seen in the case of some of our friends. It is only at a much later time that the disease is actually discovered. My hon. friend suggested eighteen months. I have seen people finally disabled with this disease who probably suffered from it over a matter of years, let alone months. So my suggestion to the minister would be that he permit this section to stand, and consult his two departments and perhaps redraft it. I believe we are all aiming at the same result; I do not believe there is any real controversy, because we are all trying to assist these people. While the hon. member for Vancouver East may say the lawyers are finding holes in the legislation, it is better to find them now than later on.

Mr. CHEVRIER: I should like to accede to the request of the hon. gentleman, who, I know, is an accomplished lawyer, but again I wish to assure him and hon. members opposite that a great deal of time was spent in drafting this section, and it was not put in here without a great deal of study. It was submitted to experts in the Department of Justice who say that the section as drafted covers the case. In any event, I do not think it is suggested by hon. gentlemen opposite that this section, as now drafted, does not make compensation payable once the regulations have been set up. It is certainly the intention to set them up the moment this section is approved.

Mr. SMITH (Calgary West): I suggest that no lawyer in the Department of Justice will tell the minister that, under this section as it stands, it is mandatory to compensate anyone who has contracted tuberculosis in one of these hospitals. That is a pretty broad statement, but I will stand by it.

Mr. CHURCH: I should like to see the scope of this act extended, because it is supposed to be a revision of the statute of 1927 concerning the compensation to be paid in these cases. As I said this afternoon, I should like to see the interpretation section broadened to define an employee as any officer receiving a wage or salary from the government of Canada or from any board or commission connected therewith. That would make these people eligible for whatever compensation is provided under this legislation, not only as a matter of right but as a matter of health.

I might refer to just one department, the Post Office Department, where there are cramped, crowded conditions. I have seen nearly a thousand men and women working night and day under intolerable conditions at the postal terminal in the union station in Toronto. Then take the postmen, who have to go out on the streets in the dead of winter, with snow waist high, to deliver the mail. Many of these men contract this disease. Under this legislation, compensation is limited to those who contract the disease in a hospital. I received a letter in this connection one day, from a man who could not get any relief from the workmen's compensation board. I wrote and told him that I was sure the taxpayers of Canada did not want to see the government act like a dead-beat toward their own employees who might contract this disease. If they die their families are given no consideration unless the death occurs in a hospital, or something like that. Why it should be limited in this way I do not know. So I believe the section should be revised and rewritten to include all government employees, as well as employees of outside boards and commissions, who suffer from this terrible scourge as a result of their work or services. Finally, I believe it should be extended to the employees of the Canadian National Railways, which is a commission connected with this government. I believe the definition of an employee should be broadened to include these workers. Some of the men on the demobilization trains running from Halifax right through to the west coast worked at times eighteen and nineteen hours a day after the war. They should have some

reasonable compensation for disabilities they might incur, as well as a war-time bonus for the hours they spent for nearly seven years in this work.

Mr. MACDONNELL (Muskoka-Ontario): I am not going to offer any opinion on the points under discussion, but I am going to express surprise at the attitude of the minister, and for this reason. Here we have competent lawyers suggesting that this clause does not do what it is intended to effect. The minister's answer, as I understand it, is not that he disagrees with that suggestion, but that he is of the opinion that the clause has been considered already by competent lawyers who have assured him that it will do what it is intended to do. I have had some experience with the legal profession, though I am only a reformed lawyer myself, and I suggest to the minister that if this were referred to the competent people who have considered it, together with the point which has been raised by, I suggest, perhaps equally competent lawyers on this side of the house, they might quite conceivably take a different view. Why the minister is not prepared to do that is something I find it difficult to understand.

Mr. CHEVRIER: There are many things my hon. friend does not understand.

Mr. SMITH (Calgary West): Do not get rough; we are trying to be helpful.

Mr. CHEVRIER: I am not getting rough at all, but my hon. friend is trying to be smart, and I am talking about the hon. member for Calgary West now. Do my hon. friends on the other side say that there are no competent lawyers in the Department of Justice?

Mr. MACDONNELL (Muskoka-Ontario): No, we do not say that.

Mr. CHEVRIER: That is exactly the impression my hon. friends are trying to create.

Mr. MACDONNELL (Muskoka-Ontario): If the minister will permit me, I will restate what I said.

Mr. CHEVRIER: The hon. gentleman need not restate what he said because I understood him perfectly well.

Mr. MACDONNELL (Muskoka-Ontario): I want to restate what I said because the minister stated it wrongly. I will restate it.

Mr. CHEVRIER: We have a new lawyer now in the person of my hon. friend.

Mr. MACDONNELL (Muskoka-Ontario): I am acting in the quality of a client; I am quite an expert client, if that does the minister any good. What I am saying is that we have lawyers here whom on the minister's own statement, he considers to be competent and who have questioned this. The minister does not say that he disagrees with them; he does not say that I must be prepared to accept his opinion as a lawyer. All he says is that this has been considered and that it must not be reconsidered, as the hon. member for Calgary West suggested, by those gentlemen who have already considered it. My hon. friend is not asking that their view be not taken; he is asking that this point, which has been raised and which so far as we know has never been before them in exactly the way mentioned, should be reconsidered by them. That is quite different from what the minister said I said.

Mr. CHEVRIER: I will tell my hon. friend that the manner in which the section is now drafted is no different from the manner in which many sections of this kind have been drafted before. The words "the governor in council may make regulations" have been used from time to time in legislation, but what my hon. friends would like to do is to insert the word "shall" in place of the word "may".

An hon. MEMBER: We were told it means the same.

Mr. CHEVRIER: I would refer my hon. friends to the words "and compensation shall be payable in accordance with such regulations" at the end of the section. What the hon. member for Calgary West wishes to have in this section is, in fact, what is already in it. My hon. friend does not agree with that interpretation, which is his right and privilege. However, I say that the section as it is drafted now does exactly what it is intended to do.

Mr. SMITH (Calgary West): Apparently the minister and I have a slight disagreement, but I hope he will accept my word that we are trying to be helpful. I have no intention of replying to him in the angry manner in which he replied to me, so we shall just pass that over. I merely suggest a redrafting, not just for one reason but for the additional reason of the words, "contracted within twelve months previous to the date of disablement." Surely there is some merit in that and when the minister has cooled out, as we say with regard to race horses, I am sure he will consider that it is at least worthy of his consideration, even though that consideration takes place, may we say, on what the government regards as a very high level. There is nothing wrong in that.

Mr. CHEVRIER: Not the slightest. I may tell my hon. friend that I prefer his discussion when it is in that vein. However that is somewhat different from the point raised by my hon. friend at the outset.

Mr. SMITH (Calgary West): I raised both.

Mr. CHEVRIER: The point being raised now is similar to the point raised by the hon. member for St. John-Albert.

Mr. SMITH (Calgary West): The same; I followed him.

Mr. CHEVRIER: I am sorry, I did not understand that. I was directing my attention to the first one. The hon. member says there is merit in the point he raises. When I looked at the section I realized that the words "within twelve months previous to the date of disablement" might cause some difficulty. I have no objection in reconsidering that part of the section and putting in "six months" or "three months" or taking out that phrase altogether if that is the wish of the committee. I have to admit that I was in a quandary as to the exact meaning. I do not think it would make any difference to the legislation as it now stands if the words were taken out.

Mr. BLAIR: While we are considering that, let us go back to tuberculosis for a moment. The section states that compensation shall be payable to employees employed in a hospital or sanatorium wherein tuberculosis patients are treated, but the compensation applies only to pulmonary tuberculosis. Would the minister consider eliminating the word "pulmonary"?

Mr. CHEVRIER: I answered that a moment ago, but my hon. friend disagreed with me. He is a medical man and I am afraid I cannot satisfy him on that. I said that the word "pulmonary" had been put in after consultation with the medical men of the Department of National Health and Welfare and I would not wish to take it out.

Mr. BLAIR: Does it not seem fair in the minister's own opinion?

Mr. HAZEN: Is it not possible that those medical men did not appreciate the point raised by the hon. member for Lanark? It seems to me that an employee in an institution of that kind might be able to contract other forms of tuberculosis. An employee might contract tuberculosis of the bone and not pulmonary tuberculosis. In a case of that kind should he not be entitled to compensation?

Mr. CHEVRIER: I am informed that in a hospital where there are tuberculosis patients those who are liable to contract tuberculosis are liable to contract pulmonary tuberculosis. That is the information I have and I feel that I must be guided by it.

Mr. HAZEN: Can they not contract other forms of tuberculosis by reason of the fact that they are working where tuberculosis patients are?

Mr. CHEVRIER: I have nothing more to add to what I have already said.

Mr. HAZEN: I would move that the words "and contracted within twelve months previous to the date of disablement" in line 36 of the section be deleted.

Mr. ST. LAURENT: I imagine my hon. friend would prefer to leave in the words "and contracted". I do not think he would want to strike out those words.

Mr. CHEVRIER: If I understand the hon. member aright, he is moving that the words "within twelve months previous to the date of disablement" be struck out.

Mr. HAZEN: Yes.

Mr. CHEVRIER: I am prepared to accept that.

Amendment (Mr. Hazen) agreed to.

Mr. SMITH (Calgary West): I move that the word "pulmonary" be struck out.

Mr. CHEVRIER: I would have to object to that.

Mr. FERGUSON: Upon what grounds? Is it because of the medical advice of the department, whether right or wrong? Could the minister not refer it back and check on his information for the benefit of these people? He is just objecting to it, but here is a medical man who is held in high esteem in his community who says that it should be struck out. Why not go back to the department and see whether he is right or wrong and give these men a chance?

Amendment (Mr. Smith, Calgary West) negatived.

Section as amended agreed to on division.

Sections 9 to 14 inclusive agreed to.

Mr. CHEVRIER: Mr. Chairman, may I revert to clause 10, subclause 2, to ask my colleague to move an amendment to correct what is merely a clerical omission. It is to insert the words "order or regulation," to make the last part of the clause conform with the first part thereof which refers to "any statute, order or regulation."

Mr. ST. LAURENT: I move, Mr. Chairman, to amend subclause 2 of clause 10 by inserting the words "order or regulation" after the word "statute" in line 1 on page 6 of the bill.

Amendment agreed to.

Section 10 as amended agreed to.

The CHAIRMAN: May I take this opportunity of reminding the committee that amendments should be in writing. It is difficult to keep a record of the amendments unless they are in writing.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 26, respecting the appointment of auditors for national railways.

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, in rising to oppose the second reading of this bill, I realize that I am taking a rather unusual course because in the last ten years the bill has been passed not only without opposition but without even discussion. It passes this house just as automatically as divorce bills.

The other evening the Minister of Veterans Affairs (Mr. Mackenzie) in his capacity as house leader, referred to the bill as a very short and easy bill. The hon. member for Broadview (Mr. Church) a little earlier this session made some passing reference to it. My attention was drawn to it a year ago when the bill passed through the house so quickly, in just a minute, that I did not have a chance to ask a question which was in the back of my mind. The question was, why should the government, by a government act or order, appoint a private auditor to audit the Canadian National Railways? Why does the auditor general not do this? During the past year I have had an opportunity of studying this matter at some length, and the completion of some study convinces me at least that the auditor general should do this job. I do not suggest that the firm of George A. Touche and Company do not do a good job. They do probably as good a job as any ordinary firm of auditors could do. But I am informed by auditors that there are two firms in Canada with a world-wide reputation which undoubtedly could do a better job. On the other hand, many firms undoubtedly could not do as good a job. I intend a little later to read a glowing testimonial to George A. Touche and Company made by Doctor Manion when he was minister of railways. My point is not that the firm of George A. Touche and Company are not capable. My point is, first, that the auditor general should do the job; second, that he can do the job, and third, that he can do a much better job than any civilian auditor appointed by the government.

As far as the first point is concerned that he should do the job, I should like to touch briefly on the whole position of the auditor general. Here in parliament we have three principal servants of our own, men who are our servants and not the servants of the government—the Clerk of the House, the auditor general and the chief electoral officer. The former two are appointed, not by the governor in council, but by the governor of Canada under the great seal, and they can be removed, not by order in council, but only by an address of both houses of parliament. Beauchesne, the book not the Clerk, says that these two servants outrank any deputy minister in the government service. Of these two servants I think undoubtedly the auditor general is the more important. After all, taxation without representation has been the cause of most of the dissatisfaction, discontent and rebellion in our history, and certainly the control over public money is an important part of our system of government. It is to account to parliament that we have this watchdog of our own who is responsible only to us. It has not always been that way. Certainly the development of the position of the auditor general has gone step by step with the development of responsible government in Canada. In the days of the family compact there existed neither appropriations by the elected representatives nor the accounting to them of those appropriations. Back in 1835 the house set up the famous committee on grievances and William Lyon Mackenzie, in presenting its report in 1835, made one or two remarks that I should like to repeat. He said:

> I would impress upon the house the importance of two things: first the necessity of getting control of the revenue raised in this country, and second a control over the men set out here to govern us by placing them under the direction of responsible advisers.

You will note that even in those days William Lyon Mackenzie put control of public money first.

At page 19 of the report of these grievances, a copy of which is kept under lock and key in the library, there is an elaboration of what was meant by control over revenue—not only a control over the passage of appropriations out of the public revenue, but a satisfactory audit of those expenditures.

The report would not recognize an audit by the government, or by auditors appointed by the government whose reports were described as "complex, obscure and unsatisfactory". An independent audit board was asked. It was not given, however, until 1855. Between 1835 and 1855 we had the rebellion, and then the Durham report and the beginnings of responsible government. But in the old Canada it was the minister of finance, known as the inspector general then, who actually did the auditing and told parliament everything was all right. However, in 1855 after a long debate the government of the day agreed to set up an independent audit board composed of the deputy ministers. This went along until 1878 when Alexander Mackenzie was premier, when the auditor general as we know him today was first set up independent of the political parties of the day and responsible only to parliament. The first auditor general was also comptroller general. Not only did he audit the final accounts for parliament, but before any appropriation could be spent he certified that the method of spending was in accord with parliament's will. This act of 1878 made the auditor general, in effect, an officer of parliament for the more complete examination of public accounts of the dominion and the reporting thereon to the House of Commons.

By 1931 it was agreed that it was not satisfactory to have our auditor general also comptroller, because he was checking up on his own work in that he had authorized the appropriation he was later auditing. Therefore the Consolidated Revenue Act was revised and the two duties separated, the comptroller general now being an officer of the Department of Finance and the auditor general being responsible solely to parliament and responsible for the audit of public accounts. This naturally resulted in a great improvement. The duties of the auditor general are listed in part V of the Consolidated Revenue Act of 1931. He is appointed by the governor general under the great seal and can be removed only by a joint address of both houses. His duties are listed in section 50 and are as follows:

> In reporting the result of his examination and audit to the House of Commons, the auditor general shall call attention to every case in which
>
> (a) a grant has been exceeded;
>
> (b) moneys received from sources other than the grants for the year to which the account relates have not been applied or accounted for according to the direction of parliament; or
>
> (c) a sum charged against a grant is not supported by proof of payment.

And so on. And finally, "or to any other case which the auditor general considers should be brought to the notice of parliament." He is given the widest powers.

There is further comment on that actual provision in the auditor general's report of 1943. In 1943 we went one step farther. It was found that, with the enormous increase in government departments and spending, the auditor general's staff was spending much too much time in checking on petty accounts and duplicating the work already done by internal audits. Therefore there was a further change agreed upon by the auditor general, the deputy minister and the comptroller general. The present Minister of Justice (Mr. Ilsley) was then Minister of Finance, and he referred to the matter in the house in 1942, as reported at page 5082 of *Hansard,* as follows:

> Our desire was to draw from all possible sources lessons and suggestions as to the best possible way in which to present to parliament the information necessary to enable it to exercise wisely and efficiently its control over financial matters and assure itself that the executive arm of government is properly carrying out its stewardship.

That, to my mind, summarizes very well the responsibility of the auditor general to this parliament. We only have to compare the reports of the auditor general from 1943 on with the previous reports to realize how that lightened the burden of petty detail and gave the auditor general the opportunity of doing the splendid job he now does.

I have traced this development to show how the position has grown in power and responsibility. The people of this country do entrust us with the public funds. We in turn entrust them to the government of the day, and the auditor general is our watchdog to assure us, the members of the House of Commons, that the money which we have voted for appropriations is properly spent.

Since the Canadian National Railway involves the expenditure of public funds—last week, for example, we voted another $8,960,000 to make up the deficit of the Canadian National Railways—it is my submission that we should have the auditor general, our auditor, report on the Canadian National Railways.

My next point was the fact that the auditor general can do this. There seems to be some question whether or not he or his department is capable of doing the audit of the Canadian National Railways. There was a time when the department of the auditor general was very small. The national budget was small; his department was small. They were engaged mostly in routine matters. But in the last ten years there has been a great increase in

the status of the auditor general, in the staff and in the qualities of the staff. I need only remind the house that two years ago the auditor general audited a $6 billion budget of this house. I need only read the list of the crown companies which he audited in his last report to show the scope of his audits as far as business is concerned. They are as follows: Aero Timber Products Limited; Allied War Supplies Corporation; Board of Grain Commissioners; Canadian Arsenals Limited; Canadian Broadcasting Corporation; Canadian Wool Board Limited; Citadel Merchandising Limited; Commodity Prices Stabilization Limited; Eldorado Mining and Refining (1944) Limited; Exports Credits Insurance Corporation; Federal Aircraft Limited; Federal District Commission; Foreign Exchange Control Board; Inspection Board of United Kingdom and Canada; Melbourne Merchandising Limited; National Battlefields Commission; National Harbours Board; National Railways Munitions Limited; Northern Transportation Company Limited; Park Steamship Company Limited; Polymer Corporation Limited; Research Enterprises Limited; Small Arms Limited; Sorel Gun Plant; Sugar Administrator; Turbo Research Limited; Veterans Housing Project (Ottawa) Limited; Veterans Housing Project (Toronto) Limited; Victory Aircraft Limited; War Assets Corporation; War Supplies Limited; Wartime Food Corporation Limited; Wartime Housing Limited; Wartime Metals Corporation; Wartime Shipbuilding Limited and the Yukon Council, together with many other smaller government agencies. When you read that list it is obvious that the auditor general must have the staff and the knowledge to perform an audit of the Canadian National Railways.

Mr. FULTON: That is why taxes were so high.

Mr. SINCLAIR (Vancouver North): I shall deal with that in just a moment. The auditor general audits all public expenditures and crown companies except the Canadian National Railways and the Trans-Canada Air Lines; therefore the actual bigness need not dismay us. Last year, for example, the Canadian National Railways had a revenue of $434 million and operating expenses of $305 million, a business which was very small in comparison with other public expenditures audited by the auditor general.

Let us turn and see how the firm of George A. Touche and Company does this audit. After the revision of the Canadian National Railway Act in 1933 by the Bennett government, an excellent internal audit was set up within the Canadian National Railways, and what the auditing firm of George A. Touche and Company did was what any auditing firm would do under such circumstances. They turned a flock of juniors loose to take a spot-check on the internal audit of the Canadian National Railways auditors, and then the material was correlated by the heads of the Touche Company in this report. I have been unable to find the cost, but I shall ask that question later. In 1934, the cost was $50,000 plus undetermined expenses. I submit, therefore, that the auditor general could certainly do the job.

My third point is the most important one. I feel that the auditor general could not only do the job but do a much better job. First, let us examine the report of George A. Touche and Company. I doubt whether there is one member in twenty who has read it through. I know, after seven years in parliament, that this is the first one I have ever read through and, after having read it through, I must confess I was not much wiser than when I started. It is a proper business report such as would be made to any big corporation; it is lacking in detail, and throughout it all we have the feeling that anything which is legal is quite proper so far as the firm of George A. Touche and Company is concerned. They are not going to question policy. Compare that with the auditor general's report, one part of which is a proper business report, and then the other part of comments which I think every member of parliament reads and studies; certainly a great number use it as the source of speeches. Look at his critical comment, very fair and open and complete comment on all government expenditures. In every way there is full detail given, going far beyond the actual routine of figures and presented in a form we can digest. More than that, the auditor general is able to bring to parliament the things in which hon. members are interested. It is not hard to find the reason for this. To begin with, the auditor general is the servant of parliament. He is in touch with parliament. The second thing I find is that *Hansard* is compulsory reading for each of the different audit supervisors in his department. So that not only when they come to the audit do they know what they are auditing, but they have some idea in the backs of their minds of the desire of parliament which prompted the legislation and the appropriation. They know, too, of matters which are of special interest to members of parliament, and their attention is directed to these matters when they do the audit. I shall give an example of that. We know that since the end of the war there has

been considerable discussion of pensions, and service pensions in particular. I refer to page 26 of the auditor general's report of this matter on which he comments. He has audited militia pensions, and he has commented on a pension paid to an admiral in the north Atlantic. He says:

The computations for pension are certified as correct, subject to the following qualification.

My argument is that a civilian auditor would end there. The pension is calculated on the man's pay and retirement, and the calculation was correct. But the auditor general knows the attention which is paid in parliament to these pensions. So he went behind the figures to see how they were built up, and he found a shabby thing. He found that this admiral commanding, who had left the command in May, when he went on retirement leave in September had himself posted back on command at command rates of pay, although doing nothing, thus receiving an extra $4.50 a day for six months of retirement leave and thus, because of his pay having been swollen up in that way, henceforth he would receive from the people of Canada $509 more in his pension annually than he would be entitled to except for this action on his part. The auditor general comments upon that and properly so, as not being within the intent of parliament when it passed the Militia Pension Act, and no doubt when the Minister of National Defence brings his estimates before the house the soldier members will have something to say on the question.

The auditor general's report abounds in things like that. On the previous page there is something in connection with housing. There have been long discussions in this house on this question. Indeed, there is no subject which has occupied the attention of parliament more than the question of housing, and the auditor comments on a number of matters, some of them raised by the hon. member for Eglinton (Mr. Fleming) with respect to the improper expenditures of funds in connection with housing. Many cases are covered by the auditor general in his report.

Last year I had a resolution on the order paper for some time with reference to the question of crown taxation, my feeling being that the crown should pay municipal taxes. I am concerned about this, because there is in my riding a city which is very hard hit. The auditor general found, on going through the reports, that a great number of crown companies made payments to municipalities in lieu of taxes, and he properly pointed out, for the information of members of parliament, men such as myself, that this was, to all intents and purposes, payment of municipal taxes. He did not comment upon it, but he called attention to the fact that the crown was actually, by this method, paying taxes in certain instances on crown land, without acknowledging the principle everywhere, a thing which I certainly intend to discuss when my resolution comes up, if it ever does see the light of day.

There are other good uses of the auditor general. For example, there is the comparison of salary scales, since he is the one man who can check all departments of government and see whether each department follows the same procedure in the payment of salaries. There is great value in consistency.

In my own service in the air force we always felt that we were in a preferred class receiving better pay, better treatment, billets, transportation and so forth. I mentioned this in the conscription debates, when I pointed out that it was unfair to the army and the navy to have such a situation existing, and urged that they should be brought up to our level. So in the civil service there is also a feeling of resentment if one branch is treated better than another. I say therefore that the auditor general, by his searching comments on all branches, exercises an excellent effect.

I need only refer to the annual report on salaries. One or two examples close to parliament have been turned up by the auditor general. For instance, there is the payment to John Grierson of expenses after he had left the film board, and the payment of expenses to judges' wives while the judges were on duty in Ottawa. These matters were properly drawn to the attention of parliament. In the latter instance, what had been done was legal in that the government had authorized the payment. A civilian auditor would have gone no farther than that; but the auditor general, our servant, knowing our attitude on the question, drew attention to it. The firm of George A. Touche and Company cannot do that. The only *Hansard* that will be read by the firm of George A. Touche and Company for some time to come will be this *Hansard*. Such a firm, I maintain, has not the knowledge of other departments which the auditor general has, nor does it know the conditions as members of parliament do, who are the trustees of the public.

The best test that I can put to the House of Commons is the comparison between these two reports. One member in twenty may have read the report of the Canadian National, but every member without exception has read the last part of the comments of the auditor

general on the public funds of Canada. There was an interesting confirmation of this last week in the freight rates inquiry, when Colonel Ralston, a member of this house for many years, and at one time minister of finance, complained that he could not get necessary information with respect to the Canadian National and the Canadian Pacific railways from their reports.

The auditor general can also be called on at any time—for extra information by any member of parliament during the session, not as in the case of Touche and Company, only before the railway committee.

I have another and far better and deeper reason for the contention that the auditor general can make a better report than any civilian auditor, and that is his independence. Once appointed under the great seal of Canada, he is responsible only to parliament. He can feel as free as he likes to make criticism of what he thinks is wrong, and it would take a very great dereliction of duty on his part for both houses of parliament to pass an address requiring his removal. Because of that independence, he can make the sort of reports he has made for the last four or five years.

Compare that with the appointment of a civilian auditor by act of parliament—not by resolution of parliament but by act of parliament. He must be very grateful to the government of the day for that appointment. I of course, as a supporter of this government, have every confidence that the present civilian auditor appointed by the government is doing a responsible job. But if the time ever comes, and it may, when I sit over there in opposition, and a Conservative government appoints another auditor, or a C.C.F. government appoints one, I might not have the same confidence in that auditor. The auditor of public accounts should be like Caesar's wife, above reproach.

Having perhaps a suspicious mind, I thought I would look up the record, because I was quite sure that when the Tories were in power they did not employ this firm of Touche and Company, and so I turned to the first appointment in 1934. I was disappointed because I found that Touche and Company were the first auditors appointed by act of parliament to be auditors of the Canadian National Railways in the time of the Bennett administration. That was when Doctor Manion made such a glowing reference to the abilities of this firm, which I said I would read in fairness to the company. Doctor Manion's remarks are to be found in *Hansard* of 1934 as follows:

> It has been decided, after a good deal of consideration, that the auditors who have been doing the work for a good many years—I do not know exactly how long, but eight or ten years at any rate—are so well trained in the work and are so capable that it would be wise to appoint them at least for this year. I am informed by the railway people themselves that it would take quite a long time for any group of auditors to learn the method of auditing such an immense system of books and accounts as are contained in this vast business.

It was a vast business by the standards of those days, but small compared with public business today.

> For example, I am told that there are no other chartered accountants in Canada who are familiar with the interstate commerce commission's type of accounting, and the accounting of the Canadian National Railways is carried on under the same rules as those of the interstate commerce commission for the railways of the United States.

The manner of this appointment, however, was challenged, and I was delighted to find that my own leader, at that time leader of the opposition, suggested that it was not proper to have the government of the day make the appointment by act of parliament. He suggested that it should be done by resolution of both houses. Quite casually I looked ahead to the 1935 debate and, to my surprise I found that the Conservative government in 1935 had dispensed with indispensable George A. Touche and had appointed a new firm known as Clarkson, Gordon, Dilworth, Guilfoyle and Nash. There was a touch of humour on that occasion, because one member suggested that in the broken-down condition of the Canadian National at that time it was doubtful whether the railway could carry all that as one load. The charge was made by the opposition—and there was a long and bitter debate—that the firm of George A. Touche and Company had been removed because they had been too critical in the report submitted. They had criticized the debt financing of the Canadian National Railways. The charge was taken up by the national press of Canada. Doctor Manion answered it by saying that he thought a great deal of the agitation had been started by the firm of George A. Touche and Company themselves because they were angry at losing this valuable contract.

Doctor Manion was reminded about the glowing recommendation he had made in the previous year and was asked by members whether the firm of George A. Touche and Company had not been satisfactory, had not been efficient, but he pointed out that that was not the issue at all. He said that the appointment was for one year and that the question was not one of dismissal but of change. When finally challenged, he said

something, one sentence which I think is pregnant with meaning, so much so that I will read it. I cannot find it at the moment, but he said that he did not doubt that the firm was satisfactory but that, and I quote, "The firm of Clarkson, Gordon, Dilworth, Guilfoyle and Nash would be more satisfactory," more satisfactory, of course, to the government of the day.

That brings home to me more than anything else the dependence of an auditor appointed in such fashion. Naturally an auditor so appointed will be grateful to the government supporting it and would not be likely to make embarrassing comment. The significant thing about this is that the next year we find, with the Liberals in power, that George A. Touche is back. The significant thing about it is that there was no question at that time of the right of the government to change auditors. That precedent had been established the previous year, so no explanation was now necessary. But once again it is interesting to see how consistent the opposition was, despite the change in membership. At this time R. B. Bennett, as leader of the opposition, got up and said he thought this should not be done by act of parliament, but should be done by resolution of both houses. That is why I take the stand that, because of this complete independence from the government of the day, our auditor general can do a better job, a freer job, than any firm of civilian auditors whose appointment is made by an act of parliament sponsored by the government of the day. Because of that, I think the best comparison again is for members to read the two reports. It is also significant that the firm of George A. Touche and Company have never again been as critical in their reports as they were in that one unfortunate year of 1935, on which they lost the job.

I wish to revert to this debate of 1934, because nowhere in that debate was the suggestion made that the auditor general do the job. Why was that? There were two reasons which I thought appeared in the debate. The first was that there was great political sensitivity, if I may use that phrase, at that time over political interference with the management of the Canadian National Railways. The Canadian National Railway Act had been passed, and it was hoped to have the railway completely removed from any political control. Undoubtedly there was the feeling that, by having an ordinary civilian firm of auditors do the job, that objective might be strengthened. The second thing was that I do not think the auditor general's department of that day were capable of doing the job. After all, the Canadian National at that time was almost as big business as the government. More than that, the auditor general's department had no opportunity to do business audits as they have now. That situation, of course, has changed greatly since that time. The enormous wartime budgets of the government, the multitude of crown companies and other agencies which the auditor general does audit, have given him and his department that experience. Part of that is also because of the character of the man who is now auditor general, Mr. Watson Sellar. He was originally with the Department of Finance; for ten years he was comptroller general of Canada; and when he came to the department of the auditor general in 1940, as auditor general, he made great improvements throughout the branch in the quality of the staff, in the work, and in the type of report presented. Perhaps the greatest tribute to the staff is the fact that private industry and crown companies have steadily robbed his staff of keymen by paying them two or three times the wages they get as chartered accountants with the auditor general's department.

Mr. JACKMAN: Where did they go? Did they go to private accounting firms? Did these expert men who had been trained in the auditor general's department go to private auditing firms?

Mr. SINCLAIR (Vancouver North): Not to private accounting firms, but to private industry and as comptrollers of crown companies.

Mr. JACKMAN: Is the hon. member sure they did not go to private accounting firms?

Mr. SINCLAIR (Vancouver North): They may go to private accounting firms, because the training they get here is training which cannot be equalled anywhere else. The robbery which I resent the most is the crown companies taking them from the auditor general's department and paying them $7,000 and $8,000 in two cases for auditing jobs and comptroller jobs with these crown companies, salaries which the auditor general's department cannot equal. But here I think a tribute should be paid to the men who stayed with the auditor general's department, despite these attractions; and one of the reasons they stayed was undoubtedly the esprit de corps built up in that department by our present auditor general, Watson Sellar. Perhaps, as one last tribute to him, I might say that two days ago I telephoned to Mr. Sellar about this matter and I found that he was absent in New York. He is now, I suppose the phrase could be used, auditor general for the united nations. Until

1950 he is senior of the three auditors appointed to audit the accounts of the united nations, which is certainly another tribute to the ability of the man.

Aside from those arguments, there is one last argument which I should like to make because I am a Liberal, not a socialist. This matter of crown companies is coming very much to the fore in the development of government here in Canada. Certainly one of the reasons why the auditor general was not suggested in 1933 was that crown companies were unheard of then. We got the Canadian National Railways by accident. It was forced on us through the collapse of the Canadian Northern and the Grand Trunk. The words "crown company" were not used at that time, but now we are in this crown company business very heavily.

I have one or two observations to make on these crown companies. I do not object to crown companies as such. I think they have a rightful field in natural public monopolies. I also think there is no reason why the crown should not go into competitive private enterprise, and I use that word "competitive" because I do not believe they should move in a field in which free competition exists and monopolize it to themselves. For example, I see no reason why the C.C.F. government should not go into the slaughterhouse business or the brick business in Saskatchewan, with, however, these reservations. First of all, they must continue free competition against the people who are in that business themselves; and, second, they must pay the full taxes which every other company in competition with them must pay. The argument is, of course, that for a federal company to pay federal taxes is just taking money from this pocket and putting it in that pocket. But when that is done, however, and an audited statement is submitted, the people of Canada are able to see whether or not this company is efficient and whether it can stand on its own feet as compared with private competition which pays the same taxes. Certainly when it comes to provincial and municipal taxes of a federal crown company, they certainly are doubly obligated to pay them rather than to take advantage of the provincial and municipal taxpayers in one community of the country in order to build up an unnatural balance sheet.

The second point is that these crown companies must be responsible to parliament. It is not a matter of political control. Certainly it would be difficult for a crown company to compete with private industry if there was political patronage all through the crown company. But since these crown companies are started with and employ public funds, and since those which are not successful come back to parliament for more public funds, as the Canadian National did this year, it is most important that this parliament should have control over crown companies in that respect. It is quite true that in all of the crown companies but the Canadian National and Trans-Canada Air Lines we do have that control. One obvious suggestion which I make is to have the auditor general do them all.

But more than that is needed. There must be, in this parliament, some item in the estimates under which each crown company could be discussed. I suggest—and my colleague, the hon. member for Quebec South (Mr. Power) mentioned this—that, if needs be, an item of $10 could appear in the estimates of each minister responsible for crown companies. The hon. member for Quebec South suggested that the $10 could be spent if needs be, if the company does not need the money, on a big picture of the House of Commons, to be hung in the head office with the title "Our Bosses"; and in the present state I would say "Our Bosses" question mark. Then perhaps these crown companies would realize that the parliament of Canada in the end is being held responsible by the people of Canada for what they are doing. They are not in the position of private companies who must report directly back to their shareholders, to the people who put up the money. The route is too long, from the taxpayer of Canada, through the House of Commons, through the government to the crown companies to have that feeling of responsibility. That feeling of responsibility would come, however, if somewhere in the estimates each year there were an item under which the conduct of each crown company could be discussed, and if as the basis of discussion, we had the full report of our own auditor general on that subject. That is why I feel this bill should not pass in its present form. I feel that the work started by William Lyon Mackenzie in 1835, with his report on grievances to bring not only the appropriation of all public funds into parliament's hands but also the accounting of those appropriations into parliament's hands, should be completed by the inclusion of this last crown company within the scope of the auditor general.

If this bill is put to a vote immediately I will vote against it, because I feel I have shown that the auditor general is certainly the proper person to do the work, and I have demonstrated, at least to my own satisfaction, that he can do a better job. These things, however, are open to discussion, so I suggest to the minister that, instead of this bill being

referred to the committee of the whole house after second reading, it be referred to the railway committee, and that the railway committee summon before it the auditor general and the firm of George A. Touche and Company, if needs be, and there settle whether or not the auditor general of Canada, who certainly should do the job, can do it. Therefore, if the minister gives the assurance that this will be done I will vote for second reading. Otherwise I will vote against the second reading and make that motion when we get into committee.

Mr. A. M. NICHOLSON (Mackenzie): I wish to congratulate the hon. member for Vancouver North (Mr. Sinclair) on the excellent speech he has delivered. I feel sure that hon. members in all sections of the house will support the hon. gentleman, in view of the fact that the adoption of his recommendation would save the taxpayers of this country a considerable sum of money. I believe those who are familiar with the operations of the Canadian National Railways in recent years will agree that the accounting system has been maintained in satisfactory fashion. Mr. Cooper, the vice-president, who is also the comptroller, has taken a keen interest in presenting each year a balance sheet as favourable as possible, and I am sure all the directors have been concerned about making this publicly owned railway as efficient as possible. Last year, when the committee was meeting, I noticed in the balance sheet an item of some $12,000,000 on the asset side in connection with insurance. When I questioned Mr. Cooper regarding this item he mentioned that at the time of the amalgamation they took over some insurance funds to the extent of about $1,500,000. Then they decided that, rather than pay out premiums to privately operated companies to carry risks on stations here, there and everywhere across the country, there was no reason why the Canadian National should not set up its own insurance fund. However they charged the prevailing rates, and by 1930 had built up a surplus of about $10,000,000. Then they reduced their premiums by $1,000,000 a year, and a year or so later found that it was unnecessary to charge any premiums at all. So, for some fifteen years the Canadian National Railways have been able to provide for all their losses resulting from fire out of the interest on the accumulated amount that has been built up.

I submit that if the accounts of this corporation had been audited throughout the years by a firm like George A. Touche and Company, they probably would not have given any attention to the payment of high premiums each year to privately operated insurance companies. There would not have been anything irregular about it; but since the directors of the Canadian National have the interests of the public at heart, they are concerned about economies of this kind.

Last year, when the committee met, the president presented us with a memorandum in connection with the operations of the Canada-West Indies Steamships branch of the company. Mr. Vaughan pointed out that the company was incorporated in 1927, to implement the Canada-West Indies trade agreement of July 6, 1925. Under the first agreement of 1912, the Royal Mail Steam Packet Company had operated four ships on a fortnightly service between Canada and the eastern group of islands, for which the company was paid an annual subsidy of $340,000. In the 1920 agreement, Canada also undertook to provide a service to the western group of islands, and this service was assigned to the Canadian government merchant marine. The memorandum mentioned the amount asked by privately owned corporations for this service. The Royal Mail Steam Packet Company put in a tender for a fortnightly mail, passenger and freight service with four new 12-knot passenger vessels, in accordance with the trade agreement, for which they asked an annual subsidy of $582,000. They also offered to perform the service every twelve days with smaller ships for an annual subsidy of $534,000. An agreement was not reached, however, with this company. The Canadian National Railways went into this field, but for some reason or another—perhaps it was the change of government which occurred in 1930—the subsidies which previously had been paid privately owned companies were not made available to the publicly owned company, and as a result this operation was not profitable. The balance sheet of the company at the end of 1945 shows that for the whole period of operation there has been an over-all loss of $4,963,000. The statement, however, goes on to say that the balance sheet is not necessarily a final summation of all the gains or losses resultant from the operation of this service. The president explained that it was not unreasonable that the Canadian National might have been compensated on a basis similar to that under which the privately owned company would have been compensated if they had performed the service.

In the committee the hon. member for Temiscouata (Mr. Pouliot) reviewed this matter in some detail, and made what I think everyone would agree was a very fair and reasonable case. Later, a motion was pre-

sented to the committee by the hon. member and myself with a view to giving the Canadian National Steamships relief from this deficit of $5,000,000 which had accumulated through the years, but we were not successful in getting a majority of the committee to agree to recommend that the government take some action which would relieve the Canadian National of this item. When Mr. Matthews, who represented George A. Touche and Company, was before the committee I asked some questions regarding what would be his personal opinion concerning the carrying of this item in the balance sheet of the Canadian National for fifteen years or more. He replied:

I would not consider that would be part of our function. I think it is a matter of government policy, and our job we regard to be the setting out of facts. As long as the Department of Finance regard it as a liability, we have no alternative.

I asked whether he would make some comments if he were auditing for a privately owned corporation. The hon. member for Rosedale (Mr. Jackman) came to my assistance and said:

May I ask this question of Mr. Matthews? Are there many companies which your firm audits, and with which you are familiar, where a deficit has been carried for fifteen years or more and interest has accrued each year and piled up there?

Mr. Matthews: No.

Mr. Jackman: Do you know of any?

Mr. Matthews: No. It is in the same category as the Canadian National railway system was in 1937 when the Capital Revision Act was brought in; the same principle.

Then the minister said:

Do you audit any other railway company besides the national system?

Mr. Matthews: Not in Canada. But we regard that as a matter of policy outside our function. Our job is to set out facts to the committee and not matters of policy.

Mr. Nicholson: I appreciate that very much. But if you were auditing for a private company, would you not have some comment to make?

Mr. Matthews: If we were auditing a commercial corporation with a deficit of $5,000,000 and which owed the bank or anyone else the same amount, that would be set out in the balance sheet as it is in the case of the West Indies steamships; and it would again be a matter of corporate policy as to reorganization.

Mr. Nicholson: Would you not have some comment to make regarding the carrying on of this for fifteen years?

Hon. Mr. Chevrier: Has not that matter been disposed of pretty much by the committee?

Mr. Nicholson: I think it is quite relevant.

I wish to contrast the position of George A. Touche and Company with regard to a matter of that sort with the comments made by the auditor general in connection with the operation of crown companies, and of several departments. I agree entirely with the hon. member for Vancouver North (Mr. Sinclair) that this sort of statement by George A. Touche and Company is quite unsatisfactory when compared with the statement made by the auditor general regarding the year's operations.

Several ministers of the crown have been embarrassed by remarks made by the auditor general. Apparently George A. Touche and Company remembered vividly what happened while the Bennett government was in office and when they made some comments regarding matters which I think come within the purview of the auditors' administration. I have been reading *Hansard*, and I find in *Hansard* of February 22, 1935, at page 1092, there is reported a speech by Mr. Manion, in which he referred to an article which had appeared in the Toronto *Star*. That article reads:

Far from welcoming the proposal of the auditors that the grossly inflated debt of the Canadian National Railways be pared down the Bennett government is demanding that the auditors be dismissed.

The explanation that will be given for the proposed dismissal of the auditors no doubt will be that the firm has its headquarters in England, but so it had a year ago when Mr. Bennett and Dr. Manion were loud in praise of its work.

Apparently a firm such as George A. Touche and Company run a certain risk when they make comments regarding a problem as important to the Canadian people as the inflated debt of the Canadian National Railways. I submit that it would be in the best interests of the Canadian National Railways, and certainly it would be in the best interests of the taxpayers of Canada if the auditing of the financial position of the Canadian National Railways was carried out, as the hon. member for Vancouver North has suggested, by the auditor general.

In the last report which the auditor general submitted to parliament, he makes mention of some matters which hon. members of the opposition are certainly going to use before this session is over. On page 22 there is reference to vote 426, which refers to some tenders which were invited by the director of the Veterans Land Act for the construction of nine houses at Boucherville, Quebec. Bids ranging from $45,884 to $70,200 were rejected as excessive and then, later on in the paragraph, it is stated:

In the fiscal year $87,018.10 was paid by way of progress payments. Administrative officers advise that this contract is under investigation; consequently the payments have been accepted in the audit subject to that qualification. Further claims of $103,820.85 with respect to the contract were, at the time of audit, in the department.

I think any auditor who will embarrass the administration by putting down in black and white details in connection with tenders being rejected because bids ranging from $45,884 to $70,200 were rejected as excessive when actual vouchers in excess of $190,000 have been taken in is a pretty satisfactory auditor for the Canadian National Railways. Then on page 24 reference is made to the director of housing being retired with three months' retiring leave as of March 1. The position was abolished and he was given an annual allowance of $1,174. As of that date he was fifty years of age with ten years' service. I am sure my deskmate, the hon. member for Winnipeg North Centre, (Mr. Knowles) is going to have something to say about an order in council that provides a pension of $100 a month for life for a man fifty years of age when we cannot get legislation before parliament to do more for our old age pensioners than we have up to date.

Another reference on page 29 is to the de Havilland contract for $6,445,025, representing shipments made to various R.A.F. and R.C.A.F. depots. He states:

> Proof of delivery was established by the records for invoices approximating $1,000,000, but no proof of delivery on the balance was produced in the course of audit.

There we have a matter of $5,500,000 which apparently was not accounted for to the satisfaction of the auditor general. I am sure that all members of parliament realize that is the sort of audit we require rather than the type of audit carried out by George A. Touche and Company, although I agree with the hon. member for Vancouver North that this is a well recognized and reliable firm, and I have no quarrel with Mr. Matthews who has been before our committee for several years.

In conclusion, I should like to move an amendment along the lines of the argument advanced by the hon. member for Vancouver North, seconded by the hon. member for Winnipeg North Centre. I should like to draw your attention, Mr. Speaker, to page 228 of Beauchesne, third edition, citation 657, which I think is my authority for moving the following amendment:

> That all the words after "that" be struck out and the following substituted therefor:
>
> "this bill be not now read a second time but that it be resolved that in the opinion of this house the government should give consideration to the making of provision for the auditing of the accounts of the Canadian National Railways to be done by the auditor general of Canada.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, as one of those who during the last war urged in the province of Ontario that the government of the day should take over this system, I wish to say a few words tonight. I addressed meetings along with the late Sir Adam Beck, but we found very few supporters of our policy to nationalize the Canadian National Railways and its various subsidies. After a success had been made of public ownership and the provision of cheap light and power in Ontario, we addressed meetings at St. Thomas, London, Kingston, Belleville and many other points in the province.

The component parts of the road were taken over to form what is now known as the Canadian National Railways. The mistakes of private ownership had been apparent for many years prior to that. There was evident useless duplication and waste, and the result was that a royal commission was appointed, known as the Drayton-Smith-Acworth commission. This was made up of Mr. Smith, the president of the New York Central railroad; Mr. Acworth, a prominent British engineer and Sir Henry Drayton, then chairman of the board of railway commissioners, now known as the board of transport commissioners.

As a public ownership man, I have always taken a consistent stand in connection with this railroad, and I wish to compliment the hon. member for Vancouver North (Mr. Sinclair) on the splendid address he has given tonight in support of what I have proposed ever since I have been a member of the house, namely, that we have our own auditor general as an independent audit. The bill recommends that the Touche chartered accountants be appointed as independent auditors for the year 1947 to make a continuous audit of the accounts of national railways as defined in the act. The auditor general is an independent auditor because he does not take work from other private business concerns. the way some of these auditing firms do.

The auditor general is the auditor of public ownership in general; he is the auditor of all the departments of this government. We have had some very good men in this position. I believe a public ownership venture should be administered by those who believe in public ownership. I cannot find one person on the board of directors, either past or present, who has been well known as a supporter of the principle of public ownership. In Ontario we had experience with private companies in the providing of light and power and the hydro system as a public venture was begun after 1905. The hydro started and took over the remaining water powers of the Niagara river and reduced the costs to domestic and commercial users of light and power to one-third.

I believe the time has come when a change should be made in the practice of appointing auditors for the Canadian National Railways. Last week the directors of the railways made a report to parliament in which they estimated the deficit for 1946 at nearly $9,000,000, and an item of $8,961,570 appears in the supplementary estimates to make up that deficit. But the annual report of the railways is not out yet. The appointment of private auditors is a violation of the recommendations which were made in the Drayton-Acworth report after an investigation which cost this country a huge sum of money. They reported that there was duplication and waste all over the country in the construction of branch lines and in other ways which cost a huge expenditure of money and they recommended that no new ventures or new lines be started without the recommendation of the railway commission from the commercial aspect. That report has not since been implemented at all by this house.

The scope of the audit made by George A. Touche and Company is set out on pages 6 and 7 of their report to parliament for the year ended December 31, 1945, the last report made by this company. The system includes the Canadian National Railways Securities Trust, the Canadian National (West Indies) Steamships, Limited, and the Trans-Canada Air Lines. I believe that the hon. member for Vancouver North (Mr. Sinclair) is quite right in proposing that we should substitute the auditor general to audit the Canadian National Railways system. Under the old act, from 1924 on, it was the board of directors of the railways who appointed the auditors. The act was amended in 1932 requiring an address from both houses of parliament to appoint an auditor for the system. The auditors have failed to make any recommendations for improving the efficiency of the system. After all is said and done, the railway in part is not run from the commercial aspect. In the first two and a half years of world war II the Canadian Pacific Railway and the Canadian National Railways made more money than they made in the whole period of the first great war. A return was made to the house, showing that down to the end of 1941 one of these railway systems made $27,000,000 and the other, $25,500,000 more than it made during the whole of the first world war. In addition to the railway itself, there are the hotel services, the land and ocean services and now the Trans-Canada Air Lines, and the expenditures of the system are going up by leaps and bounds. The road is not run from the commercial aspect. Its headquarters never should have been transferred to Montreal, and money should never have been wasted on that hole in Montreal. There has been useless duplication and waste in the hotel system. In towns where there was business for only one hotel the railway insisted on building another, even though the materials were wanted for building small houses all across the country.

Furthermore, there has been no proper inspection or control of the United States subsidiaries of this railway system. In Ontario the railway makes more money than in any other part of its system, yet the province of Ontario has been completely ignored in connection with betterments, its requirements of rolling stock, locomotives, box cars and things like that. But the railway is spending money on its United States subsidiaries. It gets rolling stock, passenger trains and other equipment for its subsidiaries in the United States. Charity should begin at home.

I believe that the directors do not direct. The directors are appointed from one political party.

Again I believe that the free transportation system should be revised. I am not referring to anybody connected with the government or to members of either house of parliament; far from it. But I say that the railway commission does not supervise properly that particular branch, with the result that we are not getting the revenue we should get from the operation of this railway.

I am a real public ownership man myself, and public ownership must succeed. I believe that we have a faithful able president and faithful officers and rank and file working for the system. They have worked hard at small pay and a large majority of them are efficient, but in some cases in the past exorbitant pensions have been paid to retired officials, and parliament has lost all control over the system. When you ask questions in the house about it you cannot get an answer but are told to go to some committee which was appointed, and largely whitewash the operations of the system. In the report you find very little about the workings of the system. I will give one example. They brought up from the maritime provinces to Toronto an old tub, which is known as the *Northumberland* and now runs between Toronto and Port Dalhousie. It is not fit for lake traffic. The boat has been condemned. The predecessor of the minister wrote me a letter about it. My hon. friend the member for Davenport (Mr. MacNicol) had a picnic on this boat; and at times it got stuck out in the lake. It is a wonder he ever got home. What was not good enough twenty years ago for Prince

Edward Island is shipped up to Toronto; an old tub not fit to run down there is good enough for Toronto, a public ownership city. Yet they can afford to spend $2,500,000 at Sorel for a new car ferry for Prince Edward Island.

Mr. MacNICOL: Five million.

Mr. CHURCH: When it gets up to $5,000,000 it is beyond me. When the railway is dealing in these astronomical figures money is much more likely to be wasted. I am not complaining about Prince Edward Island getting its due in public ownership, because I have been a real genuine public ownership man all my life. We should have some known public ownership directors on this board instead of some of those who are appointed for political purposes. I am not saying that we do not do this when our party is in power, but if we are to have efficient administration of a large publicly-owned utility, particularly with the expansion that is going on, we must use some degree of economy and run the road as a commercial proposition.

I believe that the auditor general, who is now making an elaborate report to parliament on our own departments, should be appointed to audit this system. We have had the experience in Ontario of large expenditures on publicly owned light and power. The city auditor of our city inspects the system daily, inspects the large taxpayer, the Consumers Gas Company and all the other activities of the system. The auditor general has a very fine department now, and he should be appointed to audit this system and make a study of the various proposals which have been made. The scope of the audit should be enlarged, instead of being simply a check-up of the system, an examination of major expenditures and audit tests as set out on page 6 of the Touche report for 1945. It is just a test audit that is made, not a daily audit of each office, but just a test audit here and there. It puts me in mind of a Gallup poll. They have a few people meet in an office, and they size up by such tests how the country is going. It is the same here. It is just a test audit. They pick out a piece here and there. You will find it all on page 6:

> (a) Examination of major expenditure authorities in conjunction with the recorded resolutions of the directors, which in turn are related to corporate by-laws, orders in council and acts of parliament;
>
> (b) audit tests in the offices of regions, separately operated properties and system headquarters, limited to a cross-section of the major expenditures so authorized;
>
> (c) Examination into the adequacy of the internal audit control in general as exercised by the accounting staff of the system. In this connection we work in collaboration with the executive accounting officers at headquarters having as a common objective the securing of maximum internal protection to the system in the control of cash receipts and expenditures, securities held, material stores, accounts receivable, et cetera, and through the carrying of fidelity bond insurance with outside underwriters, and . . .

Then we come to the securities trusts and the other systems, but I shall not continue reading it any further. I believe the time has come, as I said in my opening remarks, when the auditor general should have control over all these outside boards. We would get better results in the work which has to be done.

In conclusion, may I say I believe that, ever since the start, the system has had big eyes in building branch lines. They built duplicating branch lines all over the country. A great many of them had to be ripped up and scrapped because their development has been a waste. The road was not run in a commercial way, and there has been duplication of branch lines, to which I have already referred. In the interests of the country, in the interests of the system and in the interests of getting some efficiency in the system I believe that the auditor general of Canada should audit the accounts. It should not be an official auditor who is described in the bill as an independent auditor. He is not an independent auditor at all, because he is doing work for other privately owned agencies.

Mr. H. W. HERRIDGE (Kootenay West): I rise to support the remarks made by the hon. member for Vancouver North (Mr. Sinclair). In my opinion, the house is indebted to him for an informing and instructive speech, one of those speeches which will be well worth reading tomorrow in *Hansard*. I am quite sure, Mr. Speaker, that his native ability, his academic training, his parliamentary and administrative experience, and shall I say his British Columbia environment, fitted him well to make a speech such as he made this evening. I think it was one of the most lucid and informative speeches that I have heard in the house this session.

I was particularly interested in the fact that the hon. member for Vancouver North gave us a clear historical review of the situation. He then made his criticism and, in addition to that, put forward his suggestions and his constructive proposals. That is what I consider as evidence of a worth-while debate. I was very much interested in the illustrations he gave to us this evening of the deficiencies of the present system of auditing. As a relatively new member of the house, I must say that I was greatly informed this evening. I

learned a lot from the speech of the hon. member for Vancouver North. I am not going to repeat any of the things he said; the hour is getting late. I wish to say that, as a result of listening to the speech of the hon. member for Vancouver North, I realize now the great importance of what appeared on the surface to be a rather unimportant bill, and I urge other hon. members to give support to his proposals. Because of his arguments and the illustrations he gave this evening, I for one extend the strongest support to his suggestion that this bill be sent to the railway committee for further consideration before receiving third reading.

Hon. LIONEL CHEVRIER (Minister of Transport): The bill which is before the house at the present time is an annual bill dealing with the appointment of auditors for the Canadian National Railways. It is not a new bill. The form in which it is now is not at all different from the form in which it has appeared in previous years. In fact, ever since 1932 the manner of appointing auditors for the national railway has been the same in effect as the bill which is now before the house.

This year the bill seeks to appoint the same firm of auditors, namely George A. Touche and Company of Toronto and Montreal, to make a continuous audit under the provision of the Canadian National-Canadian Pacific Act. That act deals with the manner in which auditors shall be appointed and sets out that the auditors shall be appointed by resolution of parliament.

The hon. member for Vancouver North (Mr. Sinclair) dealt with the resolution stage and suggested that it should be done in that manner now. To my mind, there is no difference in the suggestion made by the hon. gentleman and the wording in section 13 from what is in the bill which is now before the house. If it is done by a bill rather than by resolution it is because the other method is more cumbersome. But, in fact, down the years the procedure has been to do it by bill as we have sought to do it this year.

The hon. member for Vancouver North asked a number of questions. He asked, first, why should the government appoint a private auditor? The answer will be found in section 13 of the Canadian National-Canadian Pacific Act which was passed in 1933 and amended in 1936. Section 13 (1) reads as follows:

> A continuous audit of the accounts of national railways shall be made by independent auditors appointed annually by a joint resolution of the Senate and the House of Commons, and annually reporting to parliament in respect of their audit. Their annual report shall call attention to any matters which in their opinion require consideration or remedial action. They shall be paid by the national company such amounts as the governor in council shall from time to time approve.

Therefore, in answer to his first question, why should the government appoint a private auditor? I say that ever since this act has been in force it has been the practice to put into effect the intention of this act, namely, that there should be appointed an independent firm of auditors. By "independent" I mean not only independent of the Canadian National Railways but, I think, independent of the auditor general. If that had not been the intention I think the act would have clearly stated that the auditor general should be appointed.

The hon. member asked two or three other questions. He said that the auditor general could do the work. I agree with him in that respect. I think the auditor general could do the work and could do a good job, but I do not agree that he could do a much better job; and I certainly cannot agree with the hon. member for Mackenzie (Mr. Nicholson) who states that it would be a great saving of money to the taxpayers of Canada if the auditor general were appointed. I think I can disprove that point as I go along.

The Canadian National-Canadian Pacific Act clearly states that this shall be a continuing audit, which means that the auditors must be in office and in operation all the time. Continuity of auditors is not only advantageous to the national railways, but also necessary because of the nature of the business of the Canadian National Railways. Frequent changes of auditors in the Canadian National Railways would, I believe, be objectionable. Take, for instance, the position of the railways. They have over one hundred thousand employees. It is extremely big business, the railway comprising a large number of subsidiary companies, and there is a considerable diversity of operations. A considerable amount of time is spent over an extended period in auditing the accounts. There are no less than fifty people who are assigned to work on the auditing of the books of the Canadian National Railways, not in permanency it is true, but temporarily, while there are from five to ten men who are assigned to do that work permanently.

Does anyone in this house think for a moment that if the auditor general were to be assigned to do this work he could do it without having the same number of men? Unquestionably he could do it, but he would have to set up a staff of experts such as the firm of George A. Touche and Company employ, and if the auditor general were to set up this staff it

would cost the country every bit as much money, and somewhat more, as I shall prove.

Because of the operations of the Canadian National in the United States, it is necessary to have accounting firms that have units in Duluth, Detroit and St. Albans, and the firms that do the auditing work for the Canadian National must have United States branches, or at least connections in the United States. George A. Touche and Company and some other auditing companies in the dominion have auditing units in the United States cities I have mentioned. The auditor general of Canada has not. It is true that the auditor general could employ auditors who would be contacts in those United States cities, but I submit that he would have to pay them far more money than the company which does the work for the Canadian National Railways.

There are not many auditing firms in Canada who, apart from having the necessary experience to do railway work, also have these accounting units in the United States. Then there is the great advantage in continuing one firm of auditors. I presume the house itself might be tempted to raise some objection to appointing the same firm, and I confess that I did not like the idea when I came to the department and saw this. But when I realized what a tumult and chaos would follow if the auditor were changed each year, I came to the conclusion that it was good business for the railways to keep in operation the same firm of auditors.

I said a moment ago that Touche and Company assign about fifty individuals to do the work, some of them only intermittently; but there are at least ten men in the city of Toronto who are assigned to do the work permanently, and four or five in the city of Montreal. If the auditor general were given this assignment he would have to work up a staff, a group of experts to do railway work. In other words, he would have to add to his staff the same number of men; no, I say a far greater number of men than that already employed by this firm of auditors.

There is another point I should like to make. The present firm of auditors also do the work of T.C.A., and under the Trans-Canada Air Lines Act the minister has discretion to appoint auditors. The minister under that act, as far as I can remember, has always appointed the same firm of auditors as the Canadian National. By doing that, he has saved the country money, because the one firm is able to do the work of the two corporations and thereby to do it far more cheaply.

It has been suggested that the auditor general is an excellent person; that he has qualifications to do work of this kind, and with that I certainly would not disagree. On the contrary, I am entirely in agreement with my hon. friend when he says that Watson Sellar is a fine type of individual and one who is doing an excellent job as auditor general. With everything that the hon. member has said in that regard I am in full agreement. But where I differ with my hon. friend is on the statement that it would save the taxpayers of the country a substantial sum of money if we were to appoint the auditor general of Canada to do the auditing of the Canadian National Railways. I am informed that it would take the auditor general from two to three years to develop a staff to do this work properly. It is a fact that any new auditor who might be put in the position of auditing the books of the Canadian National Railways should move in early in the year and be able to start from the beginning. The present auditors, George A. Touche and Company, as stated before, are doing continuous work and therefore have already started to audit the books for the year 1947. They are already in operation. That is by virtue of a practice which has existed over the years.

So that I must say to the house and to my hon. friend—and I agree with those who say that he has made an excellent presentation of his case—that the government cannot appoint a private auditor, because it is bound by section 13 of the Canadian National-Canadian Pacific Railway Act. I agree with the hon. member that the auditor general could do the job, but that the auditor general could do a much better job I have grave doubts; and certainly when the auditor general should find himself in the position of doing the job it would cost the taxpayers as much as, if not far more than, it costs the country at the moment through the appointment of this firm of auditors.

For that reason I must tell my hon. friend, if it will be of any assistance to him, that for the year 1948 I would be willing to inquire from the officers of my department, and at the same time consult the directors of the Canadian National Railways to ascertain whether it would not be possible to have the auditor general audit the accounts, but I am sure that if I were to discuss it with them they would place before me the reasons which I have now put before the house For these reasons I ask the house to approve the bill.

Mr. SINCLAIR (Vancouver North): In rising to speak to the amendment, I am conscious that this gives me the most unusual chance for a private member to rebut the argument of a minister, but there are two or

three points about the answer that has been given which strike me immediately. To begin with, the minister's first point was that I had asked for private auditors by resolution. Hon. members will realize that certainly that is not what I asked for. I asked for audit by the auditor general. I did not ask why private auditors did it, because I knew that was provided under the Canadian National Act, but I asked why the auditor general did not do it.

Because it has been done since 1933 by a private auditor is not a sufficient reason. The reason why I traced the development of the auditor general's position was to show that if perhaps he could not have done the job in 1933, he certainly was in a position to do it now.

The minister's comments about a resolution of parliament being the same as an act of parliament I find difficult to understand, and I can tell him I am in good company because the leader of the opposition in 1934, the present Prime Minister (Mr. Mackenzie King), advocated appointment by resolution of parliament and not by act of parliament submitted by the government. In 1936, the Right Hon. R. B. Bennett, then leader of the opposition, advocated exactly the same thing. So that I am at least in good company, no matter what side of the house you judge my company from.

The second point was that the appointment of different auditors would result in an unhappy situation and that there would be no continuity of auditors. That was one of the points I was trying to make most strongly, because just as long as we have the Tory party appointing the firm of Clarkson and Company, the Liberal party appointing the firm of Touche and Company, and the C.C.F. government in some year far hence appointing some Saskatchewan firm, we shall not have continuity. We shall, however, have it if the auditor general is for all time appointed auditor for the companies.

The next point was one which fascinated me. It was to the effect that it would cost the government more to do that audit through the auditor general's department than through the firm of Touche and Company. Am I to understand that the firm of Touche and Company do that at no profit? Or more than that, am I to understand that they do it at a loss because of their public spirit?

Mr. JACKMAN: They are more efficient.

Mr. SINCLAIR (Vancouver North): No one has denied that the auditor general is efficient. And no one can deny that the auditor general does not pay the salaries that George A. Touche and Company pay. The point about George A. Touche and Company and their record is the very fact that they, according to the minister of railways in 1934, were the very ones who stirred up the agitation against the Clarkson firm so that they might have this apparently unprofitable audit.

The next point was with regard to staff. If there ever was a time when the auditor general's department had a qualified staff, it is now. They have the staff which did this enormous war work, although it is now being cut down. But they have a qualified staff at this time that they never had before. A point which I found out on inquiry was that, in the firm of Touche and Company, the great bulk of this work is done by juniors, either accountants in training or accountants just qualified. The thing in the minister's speech which shocked me a little was to find that in this day and age, under a government led by the grandson of William Lyon Mackenzie, there should still be one place in the expenditure of public moneys in which the appointment of an auditor was left to the minister's discretion, because in this report I quoted from a little earlier there is case after case in which William Lyon Mackenzie comments in the most scathing terms about the minister's audit and certifying to parliament that this audit is proper, because in those days ministers of the crown either did the audit themselves in the department or appointed an auditor to do it.

The next point was that it would take two or three years for the auditor general's staff to get on to the job of auditing railway accounts. Again let us look at the record. In 1935, without notice, Doctor Manion changed the firm of George A. Touche and Company to the firm of Clarkson with the long name, and nobody on the Liberal or Conservative side in 1936 contended that this firm as Clarkson, without two or three years' experience in railway auditing, did not do just as good a job as George A. Touche. There was just the old joker, that from our point of view, probably the firm of George A. Touche was more satisfactory, just as Doctor Manion had said that the Clarkson firm was more satisfactory to his government than the firm of George A. Touche.

I did not ask for a change of private auditors. My point was simply that this audit of public funds should be done by the auditor general; and most certainly this parliament should see that no minister is left with the right to appoint an auditor for Trans-Canada Air Lines in this day and age, as apparently the Minister of Reconstruction is. Definitely that auditor should be at least appointed by

parliament, preferably by a resolution of parliament, and, best of all, should be the auditor general. For these reasons I see very little cause to change the stand which I took when I delivered my main address on this act.

The house divided on the amendment (Mr. Nicholson) which was negatived on the following division:

YEAS

Messrs:

Archibald
Bentley
Bryce
Campbell
Castleden
Gibson (Comox-Alberni)
Jaenicke
Knight
Knowles
Kuhl
Low
McCuaig
MacInnis
McKay
Nicholson
Probe
Sinclair (Vancouver North)
Stewart (Winnipeg North)
Strum, Mrs.
Zaplitny—20.

NAYS

Messrs:

Abbott
Baker
Beaudoin
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blair
Blanchette
Boivin
Bonnier
Bourget
Bracken
Bradette
Brown
Brunelle
Cardiff
Casselman
Charlton
Chevrier
Claxton
Cloutier
Cockeram
Coté (St. Johns-Iberville-Napierville)
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Dorion
Douglas
Drope
Emmerson
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser
Fulton
Gagnon
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gourd (Chapleau)
Grant
Hackett
Harris (Grey-Bruce)
Hazen
Healy
Hodgson
Homuth
Ilsley
Isnor
Jackman
Jean
Jutras
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Leger
Lennard
Lesage
Little
Lockhart
McCann
McCulloch (Pictou)
Macdonald (Brantford City)
Macdonnell (Muskoka-Ontario)
McIvor
MacKinnon
MacLean
McLure
MacNaught
MacNicol
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Mayhew
Michaud
Mitchell
Mutch
Parent
Pearkes
Pouliot
Richard (Ottawa East)
Rinfret
Robinson (Bruce)
Ross (Hamilton East)
Ross (St. Paul's)
St. Laurent
Sinclair (Ontario)
Skey
Stuart (Charlotte)
Timmins
Tremblay
Viau
Warren
Weir
White (Middlesex East)
Whitman
Winters—106.

Mr. HLYNKA: I was paired with the hon. member for Rosthern (Mr. Tucker). Had I voted I would have voted for the amendment.

Mr. HERRIDGE: I was paired with the hon. member for Bonaventure (Mr. Arsenault). Had I voted I would have voted for the amendment.

Mr. CLEAVER: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted I would have voted against the amendment.

Mr. JAQUES: I was paired with the hon. member for Richelieu-Vercheres (Mr. Cournoyer). Had I voted I would have voted against the amendment.

Main motion agreed to on division and bill read the second time.

On motion of Mr. St. Laurent the house adjourned at 11.05 p.m.

Tuesday, April 1, 1947

The house met at three o'clock.

DOMINION ELECTIONS ACT

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. P. E. COTE (Verdun) moved:

That the first report of the special committee on the Dominion Elections Act, 1938, presented to the house on Friday, March 28 last, be concurred in.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 109, for the relief of Lillian May Alsop Mackenzie—Mr. Maybank.

Bill No. 110, for the relief of Robert Crawford Kirk—Mr. Maybank.

Bill No. 111, for the relief of Robert Thomas Jackson—Mr. Maybank.

Bill No. 112, for the relief of Ernest Wright—Mr. Maybank.

Bill No. 113, for the relief of Theresa Sherpitis Morganti—Mr. Maybank.

Bill No. 114, for the relief of Omer Montpetit, junior—Mr. Maybank.

Bill No. 115, for the relief of Harold Robinson—Mr. Maybank.

Bill No. 116, for the relief of Margaret Cote Truax—Mr. Maybank.

Bill No. 117, for the relief of Netta Cheyne Lee—Mr. Maybank.

Bill No. 118, for the relief of Bessie Letovsky Silverman—Mr. Maybank.

Bill No. 119, for the relief of Percy Coleman Stuart—Mr. Maybank.

Bill No. 120, for the relief of Pearl Vesta Fields Hollenbeck—Mr. Maybank.

Bill No. 121, for the relief of Adele Kuznetz Lesser—Mr. Maybank.

Bill No. 122, for the relief of Joseph Alexander Oswald Mercier—Mr. Maybank.

Bill No. 123, for the relief of Michael Maturjiw, otherwise known as Michal Matwijow—Mr. Maybank.

Bill No. 124, for the relief of Eugenie Beatrice Smith Ricketts—Mr. Maybank.

Bill No. 125, for the relief of Hilda Mary Charlotte Kelly Smith—Mr. Maybank.

Bill No. 126, for the relief of Eileen Louise Thomas Bleakney—Mr. Maybank.

Bill No. 127, for the relief of Eugenia Drake Armstrong Newell—Mr. Boucher.

Bill No. 128, for the relief of Muriel Aileen MacKeage Fewtrell—Mr. Maybank.

Bill No. 129, for the relief of Evelyn Marie Elliott McGrath—Mr. Maybank.

Bill No. 130, for the relief of Mary Nellie McGurk Stone—Mr. Maybank.

Bill No. 131, for the relief of Cipoire Segall Wurmbrand—Mr. Maybank.

UNITED NATIONS

POWERS OF GOVERNOR IN COUNCIL WITH RESPECT TO ARTICLE 41

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved the first reading of Bill No. 132 (from the senate) respecting article 41 of the charter of the united nations.

Motion agreed to and bill read the first time.

POSTAL SERVICE

RATES ON CONSUMER GOODS TO UNITED KINGDOM

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I should like to direct a question to the Postmaster General, of which I have not given him notice. Will the minister sympathetically consider the advisability of remitting all postage on consumer goods sent as a gift by any Canadian to any citizen in Britain?

Hon. ERNEST BERTRAND (Postmaster General): I shall take the question as a notice and answer it either tomorrow or after Easter.

(Translation):

FREIGHT CARS

SHORTAGE OF ROLLING STOCK FOR TRANSPORTATION OF FERTILIZER

On the orders of the day:

Mr. JEAN LESAGE (Montmagny-L'Islet): Mr. Speaker, I should like to direct a question to the Minister of Transport (Mr. Chevrier). In view of the shortage of railway cars for the transportation and distribution of fertilizer in the south shore districts of the St. Lawrence, mentioned in the telegram which the Coopérative Fédérée de Québec sent to all the members representing those districts and a copy of which I submitted to the Minister of Transport, could he tell us whether any action has been or will be taken in order to improve the situation?

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, the hon. member for Montmagny-L'Islet sent me a copy of the telegram which he mentioned in his question. The hon. members for Champlain (Mr. Brunelle), Matapedia-Matane, (Mr. Côté), Lotbinière (Mr. Lapointe) and others from the lower St. Lawrence district have received similar wires. I must say that the situation, with reference to freight cars, remains critical. The railways must ship wheat to the ports of Saint John, Halifax and even Vancouver; they must also carry the grain which Quebec and Ontario farmers as well as those of the Eastern provinces need for their cattle. Industry also has its claims. This wire informs me that the farmers of that district need fertilizer. When the telegram reached me, I asked the railways whether there was any way of increasing the number of freight cars available. They promised me their immediate cooperation.

(Text):

Mr. HACKETT: I have received a telegram in terms identical with that received by the hon. member for Montmagny-L'Islet. I have directed it to the Minister of Agriculture and I should like to ask that right hon. gentleman or whoever is replacing him to give to the communication the same attention and active support that the Minister of Transport has given to the telegram received by the hon. member for Montmagny-L'Islet.

RADIO BROADCASTING

LABOUR-PROGRESSIVE PARTY OF CANADA

On the orders of the day:

Mr. L. W. SKEY (Trinity): I should like to ask the Minister of National Revenue whether the Canadian Broadcasting Corporation has now been instructed that the Labour-Progressive party of Canada is no longer entitled to free time on the C.B.C. national network.

Hon. J. J. McCANN (Minister of National Revenue): I shall take the question as a notice and give an answer tomorrow.

"CANADA 1947"

DEVELOPMENTS IN FIELD OF EXTERNAL AFFAIRS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Minister of Trade and Commerce. I have not been able to give him notice of this question, so perhaps he will not be in a position to answer it today. "Canada 1947" has just come into the hands of hon. members. On May 29 of last year I had some criticism to offer of "Canada 1946" because there was nothing in it—

Some hon. MEMBERS: Question.

Mr. SPEAKER: Order.

Mr. GRAYDON: This is serious business. If my hon. friends want to indulge in merriment—

Some hon. MEMBERS: Order; question, question.

Mr. GRAYDON: —they may do it outside.

Mr. ABBOTT: Just our daily speech.

Mr. GRAYDON: At least it is not an hourly speech.

Mr. SPEAKER: Order.

Mr. GRAYDON: In 1946 no reference was made in "Canada 1946" to the progress and development of Canada in the field of external affairs. At page 1980 of *Hansard* last year the minister indicated that there would be this year, but I can find nothing in the index or in the details of "Canada 1947" to show that there is anything—

Some hon. MEMBERS: Order.

Mr. GRAYDON:—on external affairs. I have a perfect right to ask this question. I am not going to be howled down by any organized effort of the government; do not worry about that. I am going to ask the minister—

Some hon. MEMBERS: Order.

Mr. GRAYDON: —whether he will give consideration to it and look into the matter—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. MUTCH: On a point of order, Mr. Speaker, as a private member of this house, day by day on the orders of the day we are subjected to various distinguished members, chief among them perhaps being the hon. member for Peel, taking the opportunity to turn what is ordinarily routine procedure into a forum for the purpose of making a speech.

Some hon. MEMBERS: Order, order.

Mr. MUTCH: I do not suppose—

Some hon. MEMBERS: Order. You cannot take it.

Mr. SPEAKER: Order. I would ask the hon. member to state his point of order and be as brief as possible.

Mr. MUTCH: The point of order is that the whole proceeding we have just listened to today and which we have been subjected to repeatedly is out of order.

Some hon. MEMBERS: Order.

Mr. MUTCH: The question period was designed to get information, not to give it. The present practice violates the rules and wastes our time.

Mr. GRAYDON: May I thank my hon. friend for his daily lecture, because it happens almost daily. I ask the minister whether he will look into the matter and give an answer as to why external affairs are not included in "Canada 1947".

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I shall be glad to do that.

Mr. CRUICKSHANK: May I ask a supplementary question? Why is Fraser Valley not mentioned specifically in this book?

Mr. GRAYDON: This is a supplementary question, Mr. Speaker.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Mr. DORION: On a point of order, Mr. Speaker, Bill No. 104 contains an explanatory note on page 1 which says:

For the convenience and information of members, the orders and regulations of the governor in council specified in the schedule to this act are printed separately and are available to the members in the form of an office consolidation.

About three weeks ago we received this digest or orders in council which is entitled:

An act to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Since then I have asked many times, and once again this morning, for a French copy of these regulations and of these orders in council which form part of the bill, and I have been told that there was none. According to section 133 of the British North America Act, which is still in force—

Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada . . .

There is no doubt that when we discuss a bill in this house we must have at our disposal both the French and the English versions. Therefore my point is that the second reading of this bill should be postponed as long as the French copy of this consolidation is not printed in French.

To support my contention I would refer Your Honour to standing order 72, which says:

All bills shall be printed before the second reading in the English and French languages.

I refer Your Honour also to page 228 of Beauchesne's Parliamentary Rules and Forms, third edition, paragraph 655, which reads:

When the bill comes up for a second reading in its proper course, one of the clerks at the table will read the order aloud, and the member in charge of the measure will then move its second reading. The member should take care to inform himself whether the bill is printed in the two languages, as that is absolutely necessary at this stage. The letters E.F. on the order paper will show whether that has been done. If any objection be made on that ground, it will prevent the bill being taken up for its second reading on that day.

I refer Your Honour, further, to a decision by the Speaker in 1903, which will be found at page 454 of Beauchesne's, third edition. May I quote what the Speaker said:

I think the question as to the printing of the translation may be taken up only when the bill is being called for its second reading. Should the French translation not be printed at the time of the second reading, then the point of order may be raised.

Therefore, Mr. Speaker, my point of order is that this bill should be postponed.

Mr. HACKETT: May I support the point, Mr. Speaker, adding that there is valuable information which I understood the minister was going to make available to the house before second reading. The information asked for was set forth in *Hansard*. It has to do with a broad category of questions, but I refer in particular to the statement embodying cost of bonuses and subsidies, duties remitted and taxes remitted.

Mr. ST. LAURENT: The point of order raised by the hon. member for Charlevoix-Saguenay (Mr. Dorion) would seem in principle to be well taken, but the hon. member is in fact in error. The bill has been printed in the two languages, and the orders in council mentioned in the schedule to the bill have been tabled in both languages. There was distributed for the convenience of hon. members an office consolidation, which has no probative value whatsoever but is a compilation of the orders as they exist now, with the amendments made thereto. That consolidation is not a part of the bill. It is merely a document and one that could not be received in court, that would be no evidence of the orders in council. As I say, it is a convenient document, just as are the other office consolidations of statutes made from time to time.

It was desired to have this convenience—it is merely a matter of convenience—printed in the two languages, but the hon. member probably knows that ever since early in the war the King's Printer has been overburdened with work and has had to let to other printing houses much of the work to be done, and the French translation of this booklet has not yet been received. If it were an official part of the bill the hon. member's point would be well taken, but it is not. It contains, not the orders in the form in which they were tabled, but a compilation of the original orders inserting at the proper places the amendments made by subsequent orders, and it was distributed merely for the convenience of the members so that they might not have to take the originals and themselves put them together to know what was the present form in which an order and its amendments were in force.

The hon. member is perfectly right in saying that everything that is a part of the bill should be in the two languages, and that has been done. The bill has been printed, the schedule has been printed, in the two languages and the orders in council have been tabled in the two languages, but the compilation

made for the convenience of members has been received only in the English text and has not yet been received from the King's Printer in the French text. But that is not a necessary document. It is an aid which it might have been convenient to the hon. member to have, but there is no principle involved in the fact that we now seek to proceed without having this additional document in the French language.

I should be quite in accord with my hon. friend if a violation of the principle consecrated by section 133 of the British North America Act were being attempted, but that is not so. The requirements have all been met, and it so happens that the hon. member has not got the two texts of this compilation. But he is fully competent to get the information he wants out of the English version if he wishes to use it.

Mr. SPEAKER: I would refer the hon. member to standing order 72, which reads:

All bills shall be printed before the second reading in the English and French languages.

The speaker has to decide, on the point of order raised by the hon. member, whether the bill which is before the house is printed in both languages. I have in my hand Bill No. 104, printed in English and printed in French. Having regard to the standing order I have quoted, I do not think the point of order raised by the hon. member concerns the bill itself. It concerns documents which may help the house to do its work. The hon. member will realize that the Speaker has to decide whether the bill which is before the house is printed in the two languages, and since it is, I must rule that the house may proceed with its work.

Mr. DORION: Then I must appeal from your decision, Mr. Speaker.

Mr. SPEAKER put the question as follows:

On the question of the second reading of Bill No. 104, intituled an act to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, the Speaker decided that the fact that a certain document distributed to members for their information with regard to the bill was not printed in both languages, was not sufficient to prevent second reading of the bill as long as the bill itself is printed in both languages. From that decision the hon. member for Charlevoix-Saguenay (Mr. Dorion) appealed.

[Mr. St. Laurent.]

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

YEAS

Messrs:

Abbott
Archibald
Arsenault
Baker
Beaudoin
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Bridges
Brown
Brunelle
Bryce
Campbell
Case
Castleden
Chevrier
Church
Claxton
Cloutier
Coldwell
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Douglas
Drope
Emmerson
Eudes
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gourd (Chapleau)
Grant
Hackett
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Herridge
Hodgson
Howe
Ilsley
Irvine
Jaenicke
Jean
Jutras
Knight
Knowles
Lafontaine
Lalonde
Langlois
Lapointe
Leger
Lesage
McCann
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
McGarry
McIlraith
MacInnis
McIvor
McKay
MacKinnon
MacLean
McLure
MacNaught
MacNicol
Maloney
Marier
Marquis
Martin
Matthews (Kootenay East)
Mayhew
Michaud
Mitchell
Moore
Mutch
Nicholson
Nixon
Parent
Probe
Raymond (Wright)
Richard (Ottawa East)
Rinfret
Robinson (Bruce)
Ross (Hamilton East)
St. Laurent
Sinclair (Ontario)
Sinclair (Vancouver North)
Stuart (Charlotte)
Strum, Mrs.
Tremblay
Viau
Warren
Weir
White (Middlesex East)
Whitman
Winters
Wright—120.

NAYS

Messrs:

Barrett	Lennard
Belzile	Lockhart
Blair	Low
Bradshaw	McGregor
Cardiff	Menary
Casselman	Merritt
Charlton	Pearkes
Coyle	Pouliot
Daniel	Power
Dorion	Quelch
Ferguson	Raymond (Beauharnois-Laprairie)
Fleming	Ross (St. Paul's)
Fraser	Rowe
Fulton	Skey
Gagnon	Smith (Calgary West)
Gibson (Comox-Alberni)	Stephenson
Graydon	Stirling
Hamel	Timmins
Homuth	Webb
Jackman	White (Hastings-Peterborough)—42.
Kuhl	
LaCroix	

Mr. HACKETT: On a question of privilege, Mr. Speaker, I should like to declare that I would have voted against the Speaker's ruling being sustained. In a moment of inadvertence, and due to some confusion in the house, I voted to uphold the Speaker's ruling.

Mr. MACDONNELL (Muskoka-Ontario): On a point of privilege, Mr. Speaker, I wish to state, as did the hon. member for Stanstead (Mr. Hackett), that I also, through the confusion in the house and by inadvertence, voted to sustain the Speaker's ruling, but I intended to vote against it.

Mr. CRUICKSHANK: Apparently this is the new policy after the convention; vote both ways.

Mr. MACDONALD (Brantford City): I was paired, Mr. Speaker. Had I voted I would have voted to sustain the Speaker's ruling.

Mr. CLEAVER: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted I intended to vote to sustain the Speaker's ruling.

Mr. SPEAKER: Order. I would ask the house to proceed with the business, which is the motion for second reading of the bill.

Right Hon. J. L. ILSLEY (Minister of Justice): In the first place, Mr. Speaker, in moving second reading of this bill, perhaps I should refer to a few remarks made by the hon. member for Stanstead (Mr. Hackett) just before I rose. I was not sure whether he was raising a point of order, but he did—

Mr. SPEAKER: Order. I would ask hon. members in the chamber and behind the curtain to moderate their voices so that we can follow what is going on in the house.

Mr. ILSLEY: He did refer to certain requests for information which were made when the measure was in the resolution stage. At the time that information was asked for I said that it would take at least until Monday to get it; thinking, from the circumstances existing at that time, that probably we would still be in committee on Monday. However the bill was reported back on Thursday night; and the next stage is the one we have now reached, namely the motion for second reading. Therefore I propose in the remarks I make this afternoon on second reading to give the main parts of the information asked for on the resolution stage.

I do not know just to what extent it is necessary for me to remind the house of the nature of the measure now before it. I should however point out, I believe, that the orders in council appended to the bill before the house are in no sense new legislation, that these orders in council are now the law of the land, and that they have been the law of the land for years—some of them for many years.

In 1945 this parliament passed the National Emergency Transitional Powers Act, which had the effect of extending into and through 1946 powers which theretofore had been exercised under the War Measures Act. At the time the National Emergency Transitional Powers Act was passed there were outstanding a very large number of orders in council—several thousand, in fact. At that time we asked parliament for an extension of powers involving a validation of all these thousands of orders in council, and parliament passed that legislation. It was appropriate legislation for the circumstances of that time. Provision was made for the questioning of any new orders in council that might be passed. Those new orders in council were to be and have been tabled from time to time since.

But when we were preparing the legislation for this year, we felt that we should not ask for an extension of powers to the governor in council, that the time had come when we could rely on the powers already extended to the governor in council by preexisting orders in council, and that if those orders in council were placed before the house, and received its approval, we would not require again any power to legislate for new orders in council. The principle I have just enunciated is the principle of this new legislation.

It is incorrect to call this legislation an extension of emergency power. It is correct to call it a continuation of transitional measures; and that is the reason for the selection of the title of the bill.

I believe I should also refer to the fact that this is a greatly contracted list of orders in council, that the overwhelming majority of the orders in council passed during and after the war are being allowed to lapse. The committee which considered these orders in council from the beginning of 1945 has made an earnest and successful endeavour to keep our wartime order in council legislation—because, in effect, that is what it was, under the War Measures Act—down to very small dimensions, so that the public by picking up the statute, or the readily available documentary material, will know just how much is outstanding. I believe the officials are entitled to congratulations upon the effective and thoroughgoing way in which they have boiled this wartime order in council emergency legislation down to small dimensions.

It may be possible, before the bill is through—it is not possible yet—to delete a few orders in council from the schedule. If so we will move that they be deleted from the schedule. At the present time, however, the need is for the fifty-seven orders in council reference to which is made in the appendix.

It was suggested in the debate on the resolution that we should break into this schedule and take out of it the old age pensions orders in council, the veterans preference orders in council and the labour relations orders in council and now make them the subject of bills. As I understand it, the reason for the suggestion is that the government has given an undertaking that later in the session it will introduce legislation of what may be described as of a permanent character with respect to these particular matters.

The government has given consideration to this suggestion, and I feel that this is the stage at which I should point out certain relevant facts to the house. Today is the first day of April. If we count today and tomorrow as two days, and if we also count May 15 as a day on which it will be possible for parliament to consider this emergency legislation, parliament will have twenty-six working days to devote to this work. That is the very limit of the time—for both houses. During that time it will be necessary to secure the passage through both houses of the measure now before the house the consideration of which, if it is examined at all carefully, will take many days of the time of both the House of Commons and the other place. In addition there is the other legislation which must be enacted before May 15, unless there is to be a lapse or hiatus. There are nine measures which are at various stages of incompleteness, before one or other of the houses. First, there is the act to amend—

Mr. SMITH (Calgary West): Mr. Speaker, do you think you could get order in the house? I am anxious to hear the minister. I cannot hear him, although I can hear somebody else.

Mr. ILSLEY: There is an act to amend the Inspection and Sale Act, 1938. That is at the stage of third reading in the senate.

An act to amend the Immigration Act and to repeal the Chinese Immigration Act. The second reading has been moved in the house but the discussion has not proceeded very far.

An act respecting export and import permits. This bill has not yet been reported back to the house from the banking and commerce committee.

Mr. FLEMING: It is on the order paper.

Mr. ILSLEY: It has been reported back?

Mr. FLEMING: Yes.

Mr. ILSLEY: Then it is before the house for consideration by committee of the whole.

Then there is an act to amend the Militia Act. There will be a motion for concurrence in the senate amendments to this measure.

An act to amend the Patent Act. That has been reported back by the banking and commerce committee and will next be considered by the committee of the whole house.

An act to continue the regulations respecting trading with the enemy, 1943. This has received first reading but not second reading.

An act to amend the Canadian Wheat Board Act, 1935. The second reading has been moved in the senate.

An act to provide for the sale and export of agricultural products. The second reading has been moved in the senate.

The Government Employees Compensation Act. The bill has gone over to the senate.

That is the volume of legislation which, unless there is to be a very serious lapse or hiatus during which important matters will not be covered as they should be by legislation, must be through both houses by the 15th day of May.

Mr. COLDWELL: If they are not, will the minister again ask for an extension of powers to protect the consumers of the country?

Mr. ILSLEY: If they are not through by May 15 I shall have to do so. I speak subject to correction, but I do not think I could do it

by way of address next time. I think it has to be done by act of parliament, which is a considerably more serious matter.

If we took out the three classes of acts to which I have referred and introduced bills and gave them priority over this legislation, I am afraid that we should not be able to complete this legislation by the 15th day of May, in which case we should have again to go through the process of getting an extension if we can, but by act of parliament instead of an address. All we are concerned with is to get these bills through in time. We have given the matter a great deal of consideration and we do not think we dare drop these measures out of this act. There need not be much discussion on them, because we shall be ready with our measures as soon as this measure is enacted. We shall be ready with all three of them; there will be no delay whatever; we will bring our measures in right away. An undertaking has been given with regard to the budget. I do not know which should come first, these measures or the budget, but we shall be ready with all of them as soon as this legislation is through. There will be no delay at all. Unless we follow the course we are taking, I do not know how to arrange the business of the house or to suggest arranging it without running the risk of something lapsing that must not be allowed to lapse.

Mr. COLDWELL: Has the government considered sitting on Saturday and on Wednesday evening?

Mr. ILSLEY: No, the government has not considered doing that.

Mr. MacNICOL: We could do that.

Mr. ILSLEY: I do not want to put in a plea for ministers, but it is easier for private members to do that than it is for ministers, because they have a large volume of work to do apart altogether from their attendance in the house.

Mr. KNOWLES: Can these measures not be put on the order paper so that we shall know what the score is?

Mr. ILSLEY: I will consult my colleagues as to the time at which they can be put on the order paper. I am not sure that all three measures will be ready until shortly after the end of the Easter recess, but they will be ready then. The question is whether to have them put on the order paper and perhaps complicate the discussion of this measure.

Mr. KNOWLES: It might shorten it.

Mr. ILSLEY: It might. I will discuss that with the acting leader of the government. It is a suggestion worth considering.

Mr. KNOWLES: Thank you.

Mr. ILSLEY: I am just placing the problem before the house because I think it has reached the stage where it should be placed before the house and the reasons given why the government is proceeding in this way.

As I said in moving the resolution, we are taking what I consider to be a moderate course in asking for an extension of the economic controls, a course not satisfactory by any means to those who believe in the indefinite continuation of controls, and not satisfactory either to those who think that controls should be abruptly abandoned. It may have been that in the discussion the other night I tried to summarize the attitude of parties or of groups in parties. I regret it if I did, because I do not see any reason why this should get into politics at all. It is simply a matter of cleaning up, of easing ourselves out of the wartime controls. I know we are accused of having a power complex and of desiring to perpetuate our power, and that the civil servants who are administering these controls are accused of the same thing. There is not much that a person can say by way of disproof of such accusations. We can deny them, which I certainly do. The whole course of our action shows that we are letting go of these powers and getting out of these controls as quickly as it is possible for anyone to do it. I hope we are not getting out of them too rapidly. I know there are members who think that is the case.

Mr. HACKETT: There is a whole party feels that way.

Mr. COLDWELL: And we are not ashamed of it.

Mr. ILSLEY: I would remind the house, as I did the other night, that the government of the dominion cannot maintain these controls indefinitely. It is a matter which undoubtedly reverts to the jurisdiction of the provinces, and we have to get back to that sooner or later. We must continue to adjust ourselves to that inevitable retransfer of the field of jurisdiction from the dominion to the provinces. We have to do it, we ought to do it, and we are doing it. It seems to me that there should not be very much difficulty in the house accepting the principle of this measure on the second reading. I am ready to admit that in the committee stage suggestions may be made for changes here and there in these orders in council. I do not think that they necessarily should be combed with a fine-tooth comb, for this reason, they are so temporary; they are going out. They

have worked well and there has been no abuse of these orders in council during the past few years.

Mr. FERGUSON: They do all their damage in a short time.

Mr. ILSLEY: Well, my hon. friend and I will not agree on this, but I think they have done immeasurably more good than harm. As I say, I do not think there should be much disagreement in the house about the principle of this measure, but whatever tinkering is done with the provisions of the order in council should be done when we get into committee of the whole.

On the resolution stage a number of questions were asked about the cost of the control policy and also about the benefits of that policy. I have had some inquiries made and I shall try to give that information in a few minutes. Before I do that, however, I want to refer to one passage in the speech which I made on the resolution and which can be found at page 1586 of *Hansard:*

> The timing of decontrol in the months ahead will be related to economic developments both at home and abroad. Production in Canada and in the United States is now expanding rapidly. In these circumstances, I believe that decontrol is likely to proceed quite rapidly but, as I have emphasized, it is the government's intention to avoid disorderly price fluctuations and confused markets which abrupt abandonment of all controls would be certain to produce.

That sums up I think as best I can the policy of the government with reference to decontrol, the avoidance of abrupt abandonment of all controls and of the disorderly price fluctuations and confused markets which this abrupt abandonment will be certain to produce, while proceeding with decontrol as rapidly as possible under all the circumstances.

Later this afternoon my colleague the Minister of Finance (Mr. Abbott) will announce a further measure of decontrol. It will not go as far as those who are opposed to controls are urging, and it will certainly go too far to please those who think there should not be any lifting of price ceilings at all. It is based upon the principles to be found in the quotation I have just read. It will free from price ceilings a further list of commodities which the government and the board feel can safely be fixed at this time. But—and I should like to emphasize this—the volume of goods still under price ceilings will be important, far-reaching and substantial. It will still include a large proportion of the essential requirements of the Canadian people.

Mr. COLDWELL: The minister has gone this far; will he now tell us what articles the controls are to be lifted from? He has whetted our curiosity and caused us some misgiving as well.

Mr. ILSLEY: The Minister of Finance will make a statement later this afternoon.

With regard to the request for the total cost or the average cost per year of the stabilization policy, I was asked to make a compilation of wartime prices and trade board subsidies and trading losses, the cost of administration of the wartime prices and trade board, the Department of Agriculture subsidies, other subsidies, such as wheat and flour subsidies, the amount of the remission in duties and taxes and other subsidies such as the coal subsidies paid by the Department of Reconstruction and Supply; that is, the subsidies, the tax and duty remissions, and the costs of administration connected with our stabilization policy. I said I doubted whether I should be able to obtain an accurate computation of the tax and duty remissions. As a matter of fact that is so. These removals or remissions of duties and taxes fall into three broad categories: first, removal or reduction of intermediate and general rates of duty where normal preferential sources of supply were cut off by war or surrendered by Canada in the interests of economy in shipping. These are a number of examples: anthracite coal in the maritime provinces where United States supplies had to replace British supplies; crude rubber—Malaya being cut off, we had to rely on United States stocks and South American production; tin—Malaya being cut off we had to draw on United States stocks and South American production; copra and palm kernels—Belgian colonial supplies replaced in part British colonial supplies; sugar—the removal of full duties because we gave up more distant empire sources, for example, Australia, South America, Mauritius and even part of the British West Indies, and drew supplies from Cuba and Santo Domingo; oranges—seasonal duty which conferred a preference on empire sources was removed, since these were unavailable; rice—with the loss of Burma we had to take United States supplies; combed wool—we had to rely more heavily on United States combing mills because United Kingdom facilities were not available.

I should like to point out that with regard to that type of importation it would be completely unfair to add up the remissions of the general rate of duty and say that that was part of the cost of the stabilization policy, because very little was imported from these sources before the war. They were imported from British preference countries where the rate of duty was very much lower. For

instance, we switched to some extent in our importations of sugar from British preferential sources to Cuba and Santo Domingo where the rate of duty was $1.29 instead of 29 cents, but we did not pay the $1.29. That was taken off. Therefore it would be unfair to reckon the cost to the country of that policy by taking $1.29, because the situation was entirely abnormal. It had not been paid before the war, and probably it will not be paid after the war. It was just a new situation.

Mr. HACKETT: Before the minister leaves sugar, will he say something about the excise tax on refined sugar?

Mr. ILSLEY: With regard to refined sugar the situation before the war was that there was a tax of one cent a pound on refined sugar, or $1 on 100 pounds. We raised that to two cents in 1941, and then we took half the increase off in 1942 and the other half of it off in 1943, bringing our tax on sugar back to exactly what it was before the war. The excise tax is the same as it was before the war.

Mr. HACKETT: Was there not an excise tax on sugar before the war?

Mr. ILSLEY: It was one cent, and it is the same now. One cent has been taken off, half at one time and half at another. My hon. friend had really no point there. The point that he had was on the British preferential rates of duty on sugar which were remitted. He had a point there. That was part of the cost of our stabilization policy, and I am told that it amounted to about two and a half millions a year, but not these big sums.

Mr. HACKETT: Will the minister allow me—

Mr. ILSLEY: Just a minute. I am making a speech on the second reading and I am sorry I have to deal with this mass of facts at this stage, but I am obliged to because my hon. friends wanted it at an early stage. The second class of duty and tax removal was of special wartime taxes imposed at an early stage in the war and removed at a later stage, examples of which would be the extra or additional tax of one cent per pound on sugar imposed in April 1941 and removed in two stages in 1942 and 1943, and—to take another example—the special taxes on tea and coffee imposed in September 1939 and removed in 1942.

Is that part of the cost of stabilization policy? I do not think so. They were not traditional, long-standing taxes at all but were put on and taken off again, and I do not think they should be reckoned in it. Where the removal or reduction of the tax was primarily to protect the stabilization policy, this was part of cost. Examples would include the remission of the preferential duty on sugar and the suspension of the duty on bananas and of the seasonal duties on certain fresh fruits and vegetables.

It would be impossible to calculate exactly the theoretical loss of revenue by reason of these removals or remissions of duties and taxes. Had these duties remained on and the prices of the commodities been increased by the amount of the duty, the quantity imported might have declined, that is to say, less of these commodities might have been purchased. But even if this very real difficulty be ignored, it would take a great deal of time to compile the kind of table which the hon. member requested. In some cases the duty was suspended for only a short period of weeks, at a time of seasonal shortage in Canada—for example, on onions in the spring of 1944 and on new potatoes for a few weeks in 1945. In other cases the duty was suspended only for a particular use, for example, coke when used for cooking or heating. In still other cases the duty was suspended in the middle of a month and reimposed in the middle of another month, and it would be almost impossible to ascertain the quantities imported free of duty in broken months.

I cite these points as an explanation of why I cannot give my hon. friend the exact detail for which he has asked. Even to prepare as full and accurate a statement as might be possible would take a great deal of time and labour. I am advised, however, that a quick check of the list of tax removals or suspensions indicates that the amount of revenue forgone would be of the order of $5 million or $6 million in the full year, excluding remissions of duty on account of changed sources of supply dictated by war conditions, and excluding the removal of taxes imposed at an earlier stage in the war. The true figure might be a little below or a little above this. I cannot be exact without having a great deal of statistical work done on this question.

But let me come to the larger question of the total cost of this policy. The following figures give a rough approximation of the annual averages for the five years from 1942 to 1946 inclusive: wartime prices and trade board administration, $12 million; wartime prices and trade board subsidies and trading losses, $84 million.

Mr. SMITH (Calgary West): Yearly?

Mr. ILSLEY: Yes. This is the average of five years. Department of Agriculture subsidies, $65 million. I am not at all sure that

they should all be charged to the stabilization policy, because I believe some of them were quality subsidies to encourage production of higher quality. To continue: Wheat and flour subsidies paid by the Department of Finance, $15 million.

Mr. COLDWELL: Mainly to bakers and millers?

Mr. ILSLEY: Millers.

Mr. COLDWELL: Yes; that is what I meant.

Mr. ILSLEY: That was paid to millers for the purpose of keeping the price of flour and bread down, the subsidies being repaid in part when the profit position justified it. Next, remission of duties, et cetera, $5 million. That is a rough, a very rough estimate. Then there were coal subsidies paid by the Department of Reconstruction and Supply amounting to $5 million. The total is $186 million per annum on the average.

The hon. member for Winnipeg North Centre (Mr. Knowles) put a question and pressed me to answer it, and I will do this as best I can, although it is almost impossible to give an answer to the question. He asked for an estimate of the benefits to the citizens of Canada as a result of the price control policies; that is to say, the saving in prices to the consumer—the amount by which consumer prices were made lower than they otherwise would have been.

The following estimate gives some indication of the strain and difficulty which would have developed in the Canadian economy without price control. It is based on the assumption that in the absence of price control prices would have risen in recent years to the same extent that they rose in world war I and its aftermath. Nobody knows whether they would or would not, or would have risen higher.

Mr. CASE: It is an impractical question.

Mr. ILSLEY: I wish to point out that we never devoted more than 15 per cent of our resources to the war in any year of world war I, whereas in world war II, in some years, we devoted approximately fifty per cent of the production of the country to the war. And economists have always told me that that is the main factor in driving prices up—the proportion of output that you shoot away and send away, leaving in the country the purchasing power that was paid out to produce it, and nothing to spend it on. That is a powerful inflationary influence. It must be remembered that in many countries where there existed no effective control, prices were going up 100, 200 and 300 per cent, and I am not talking of wild inflations such as occurred in China and other places. But if we assume that prices would have risen, and the inflationary factors were more powerful in the last few years than in the years between 1914 and 1920, much more powerful—if we assume, I say, that prices would have risen, without control, just to the same extent proportionally, year by year, as they did in the period from 1914 to 1919, then these are the results you get: the consumers would have had to spend an average of nearly $8 billion between 1942 and 1946.

Mr. MacNICOL: How many millions?

Mr. ILSLEY: I said, nearly $8 billion a year between 1942 and 1946, to buy goods and services, which in fact cost them on the average not quite $6·5 billion a year. If hon. gentlemen want to know how that is arrived at they can procure table 11, gross national expenditure at market prices, 1938 to 1946, issued by the bureau of statistics, which shows the personal expenditure on consumer goods and services for each of the years from 1938 to 1946; and if the amount spent had increased proportionately to the increase in prices in the first great war, the amount spent would have averaged $8 billion in those years instead of the $6½ billion which the consumers actually did spend.

Mr. QUELCH: Does that take into consideration the higher taxation?

Mr. ILSLEY: No; it does not take that into account. Taxation was part of the stabilization policy. High income taxes were probably the most powerful factor in the anti-inflation policy. In short, if prices had risen as they did in the last war and its aftermath, the consumers would have had to spend $1½ billion more than they actually did.

It should also be noted that the general stabilization programme held down the cost of munitions and other military expenses, thereby saving a further large addition to the already heavy national debt. It is estimated that government expenditures averaged $4 billion a year between 1942 and 1946. Without price control this cost might have been at the very least twenty-five per cent higher. I think that twenty-five per cent is based upon the other figures which I have given with regard to the additional percentage which the consumers would have been obliged to pay; and the stabilization programme has thus meant a saving of another billion dollars a year. From these estimates it is possible to see that the cost of the control programme was under $200 million a year, while the savings to the con-

sumer purchasers and government as a buyer were on this hypothesis possibly $2½ billion a year. The figures are tentative but do give some idea of the relative magnitude of the cost of and the savings effected by the government price control programme.

The validity of the cost of living index figures was questioned. I cannot go into the basis of the cost of living index. It has been thoroughly debated in previous sessions and exhaustive material has been placed before the house. The trouble is that the material is so exhaustive that it does not make popular reading. It takes a good deal of work to go through it. But the bureau of statistics assert and appear to be able to establish that their cost of living index is a very reliable one, and that there is no better cost of living index in any country.

Mr. BENTLEY: But the minister will admit that it does not put milk into the mouths of babies, and that it does not put into the homes other things which the housewives need.

Mr. ILSLEY: The cost of living index is not an executive body. It is information. I do not know what my hon. friend means.

Mr. BENTLEY: The information that the householder has or that the housewife has—

The ACTING SPEAKER (Mr. Golding): Order. I should like to remind the hon. member that the house is not in committee and that the minister or any other speaker must not be interrupted without his consent.

Mr. BENTLEY: I thought when the minister sat down he had given his consent.

Mr. ILSLEY: Ask the question.

Mr. BENTLEY: What I was trying to point out was this, that in spite of—

Some hon. MEMBERS: Order.

Mr. BENTLEY: I will ask the question, if it has to be a question, although it is difficult to frame it.

Mr. ILSLEY: If the hon. member wishes to make a speech, he can make it later.

Mr. BENTLEY: All right.

Mr. ILSLEY: As I say, the cost of living index is, I think, a good index. Somebody said that articles no longer being produced are in the index. That statement is flatly denied. They are not left in there at all if they are not available in Canada.

I hesitate to get into this question of the validity of the comparison of the price rise in Canada and the United States. I have a good deal of material on it, but it is detailed, and it is mainly estimates. The points were made by the hon. member for Rosedale (Mr. Jackman), mainly. He said that we had paid subsidies and that the Americans had taken their subsidies off during the period, that we continued to pay them. The weakness in that is that the Americans had taken most of their subsidies off before the period began. They had only two subsidies that we can find out about, the meat subsidy and the flour subsidy. The other answer to the argument is that most of our rise in the cost of living during that period has been due to the removal of our subsidies; so there does not seem to be much of any point left.

The hon. member for Muskoka-Ontario (Mr. Macdonnell) does not perhaps understand what I am saying, but if we had a situation like this, where we had at the beginning of the period full subsidies on in the United States and full subsidies on in Canada on a comparable basis and then six months later the United States subsidies had gone off and the Canadian subsidies had stayed on, the taking off of the United States subsidies would obviously be the cause of several points rise in the United States index; and there would not have been a comparable factor in Canada. But the situation was altogether different from that. Most of the United States subsidies were taken off before that period began; many of the Canadian subsidies were taken off during the period, and most of our price rise was due to the fact that we took those subsidies off.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister permit a question while we are on this point?

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I see the point the minister has made, but I still ask him this question. When we have been using comparative figures between such and such a rise in the United States and such and such a rise here, which was an over-all figure, and when we have been using, as I understand, during the same period, which was from the middle of 1945 to the middle of 1946, figures which did not include subsidies, does the minister not agree that in order to get a comparison during these periods it is necessary to carry in, if he can carry in, the proper figure of our subsidies which were being paid by the taxpayers of Canada to assist in keeping down that price? In other words, does he not agree that these figures, unless we carry in our subsidy payments, are not comparable?

Mr. ILSLEY: I am not talking about comparative prices, and I did not think hon. gentlemen opposite were talking about comparative prices. They were talking about comparative increases, and they were saying that the comparison between the increases was an unfair comparison because we have maintained our subsidies and the Americans have taken off theirs. Now what I am saying is that they took off most of their subsidies before the period began, and our subsidies have been coming off since, so the validity of the comparison holds.

Mr. MACDONNELL (Muskoka-Ontario): It is always possible that I may not have understood the minister, but let me come back at the point. One of these figures given is the figure of the rise over the period of 1935 to 1939—in other words, just before the war—until, I think, the end of 1945 or 1946. Surely the minister will agree that in order to make a comparison between what happened in the United States and what happened in Canada we must take in the Canadian subsidies in order to show what the actual cost of living in Canada was. After all, these United States comparisons are relied on, I think, as the strongest argument of any in pointing to the success of our own control of costs.

Mr. ILSLEY: Our comparisons have been in the increases. We have said that when the Americans decontrolled in the middle of last year, their cost of living shot up by about eighteen points in six months and ours stayed down to four or five, or something like that.

An hon. MEMBER: Six.

Mr. ILSLEY: Six, during that same period. We are not talking about price. Price is a different thing entirely. That is another argument; I cannot get into that question of the comparison of the price levels in the two countries. We are talking about the validity of the comparison of increases, and the government is virtually accused of putting up something here which is very misleading, because the Americans have taken off their subsidies. The removal of hundreds of millions of dollars in subsidies would, of course, put up their prices, and if we kept our subsidies on that would indicate it was purely the subsidies which were doing the work, or very nearly that. But we have quite a different situation. When they had their subsidies off very largely at the beginning of the period, it could not have been the removal of the subsidies which put up their prices; and when we were taking off our subsidies during the period it was largely the removal of the subsidies here that put our prices up.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to press the point, but on the other hand, since the minister has brought me into it—I did not do it myself—I think I should say that I still believe the minister has overlooked one point. These comparisons, which are constantly made, are made as a result of what is alleged or taken to be the figure given as to the cost of living in Canada. I still maintain that when that cost is given without including the subsidies it is not a complete figure, and that when used as a comparative figure it gives an unsound picture. For the life of me I cannot see that this is not so.

Mr. ILSLEY: My hon. friend is now arguing that when you compile a cost of living index that should not be done by putting into it only the cost of the articles the families of Canada buy, that is the cost to those families, but that some tax feature should be carried into it as well, some income tax or something like that.

Mr. MACDONNELL (Muskoka-Ontario): Yes; a subsidy which is used to pay part of the cost. I do argue that, definitely.

Mr. ILSLEY: I have answered that by presenting the complete cost and the estimated savings to the consumers.

Mr. MACDONNELL (Muskoka-Ontario): But I suggest—

Mr. ILSLEY: Just a moment, now. I am making a speech on second reading, or was a short time ago.

Mr. MACDONNELL (Muskoka-Ontario): Very well. You brought me into it and now I shall get out.

Mr. ILSLEY: After all, we are not in committee yet. The other point was the revaluation of the Canadian dollar. Any change in an exchange rate will, of course, affect the cost of imports. Again it is not possible to be precise, but I am advised that the direct effect on the Canadian index of the return to parity with the United States dollar would have been about one-half of one per cent. Return to parity of course reduced our subsidy costs considerably, and by reducing the cost of certain imported raw materials and industrial fuels it eased some of the upward pressure on production costs in Canada. After all, Mr. Speaker, I am answering points here directed mostly to the validity of certain arguments we have put forward on behalf of price control, and I do

not think we should get too far away from the principle of the bill and the simple question as to whether or not these economic controls should be allowed to lapse. That is the simple question: should they be allowed to lapse or not?

Mr. CASE: Is the minister going to say why we revaluated the Canadian dollar, or is that too big a question to answer?

Mr. ILSLEY: No. I dealt with that last summer, when I made a statement on the matter, and I do not want to go into it again. I have not very much more to say this afternoon because so much has been said at previous stages.

Perhaps I should say something about the constitutional basis of the bill. This bill is based upon the existence of a national emergency arising out of the war. One of the clauses in the preamble reads:

> And whereas the national emergency arising out of the war, in certain aspects, has continued since the unconditional surrender of Germany and Japan and is still continuing . . .

The emergency in its military aspects has, in the opinion of some, largely disappeared, but in its economic aspects has continued since the termination of hostilities and still continues, for the reasons and in the way set out in the speech I made in this house when I introduced the resolution.

Mr. SMITH (Calgary West): Perhaps I might ask the minister one question before he concludes, and I think it is on the principle of the bill. He has just said, as I understood him, that this is an emergency matter largely having to do with prices. In view of the fact that labour matters automatically go back to the provinces; in view of the further fact that all ceilings have been removed from salaries and wages, can the minister tell me where there is any emergency in connection with that matter? I can see the emergency argument elsewhere, but I am utterly unable to see it with respect to the dominion government maintaining its position in reference to labour matters. Perhaps the minister would answer that point.

Mr. ILSLEY: It is pretty difficult to dissect an emergency, but the labour legislation is in the economic field, an important sector of the economic field. If, as I allege, this emergency in its economic aspect still exists, I would submit there is basis for legislation in that field, perhaps only for a limited period; and that legislation is to be replaced by other legislation just as soon as we can get to it. But I would submit that the economic emergency is pervasive enough to justify continuing, for this short additional period, the labour relations order in council to which the hon. gentleman refers.

Mr. BRACKEN: May I ask the minister one question before he sits down. It has to do with his statement that the Minister of Finance (Mr. Abbott) would make a speech later in the afternoon with respect to certain changes which have been made since this bill was introduced, which might have a bearing on the discussion. I should like to ask whether it is the intention of the Minister of Finance to speak now, or later in the debate.

Mr. ABBOTT: I had intended to follow the hon. member for Eglinton (Mr. Fleming), who, I understood, was going to speak next.

Mr. BRACKEN: My only point was that it would help in the debate if we had the immediate situation before us now.

Mr. HACKETT: I was going to ask a question.

Mr. COLDWELL: Are we in committee now? If not, I do not think we should go on with a discussion of this kind.

Mr. HACKETT: May I ask a question which I did not ask when the discussion was under way because the minister requested me to wait until he had finished his speech. I was going to ask if at the present time there is an excise duty of one cent a pound or $1 per 100 pounds on refined sugar.

Mr. ILSLEY: So the officials inform me. I was not sure the other day, but they tell me there is.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, it is clear now that the appeals made to the government and to the Minister of Justice (Mr. Ilsley) during the resolution stage for a different procedure, which would offer the house an opportunity to approach this question in an orderly way and which would save time, have been rejected. By reason of the course chosen by the government the house is now left to flounder in what can only be called a legislative morass.

This is a measure of the highest importance. I do not suppose any legislation to come before the house this session will equal in importance the measure now occupying our attention; and the stage we have reached now is, I submit, of prime importance. At the resolution stage we were invited by the Minister of Justice to defer discussion until after the introduction of the bill. That invitation was accepted and endorsed by my leader. Others did not follow it, however, and discussion took place. Now

the Minister of Justice is proposing that the house defer intensive consideration of the measure in its leading aspects until second reading is given and the house is in committee. We have had a number of requests, always to defer consideration, and I think the reason is quite obvious. The government invites the house to pass over those aspects of the consideration that the house ought to give this bill which are likely to give them the greatest difficulty. In view of the fact that we are now at the stage of second reading, and that it is necessary at this stage to deal with the principle of the bill, I ask the house now to endeavour, by examination of the provisions of the bill, to find the principle of it, if there be a principle in it.

I am not going to discuss the terms of the measure in detail. But I wish to refer to enough of the contents of the bill to try, if it be possible, to find the principle of it. As the Minister of Justice has indicated, the preamble purports to base the bill upon the continuing existence of a national emergency arising out of the war. Hon. members will find that language repeated in the preamble. And they will find a qualification, in one of the references, in the expression "in certain aspects". Finally it is said that the bill is put forward in order to ensure an orderly transition from war to peace.

What follows? We have, first of all, the provision that certain orders and regulations, referred to in the schedule to the bill—and referred to by number, name and date only—are to be continued. They are to continue and be in force while the act is in force.

Then we have the provision that the governor in council may appoint such persons in connection with the administration of any order or regulation continued in force by the act as he considers necessary, and may fix their compensation. It is further provided that all persons who have been appointed under the War Measures Act or the National Emergency Transitional Powers Act in connection with the administration of any of these orders or regulations are deemed to have been appointed pursuant to the provisions of the act. Parliament will never have any part in making such appointments, but automatically they are deemed to have been appointed pursuant to the provisions of the act.

It provides further that the governor in council may revoke in whole or in part any order or regulation continued in force by or made under this act. The operation of the act is to be limited so as not to extend beyond March 31, 1948, but it may be extended by resolution passed by both houses of parliament.

It is further provided that all orders and regulations continued in force under the authority of the act shall be deemed to be regulations, under the provisions of the Interpretation Act.

That, Mr. Speaker, is the bill. Attached to it is a schedule containing references—and only references—to some fifty-seven orders in council, orders in council under which vast numbers of other orders have, in turn, been made. Where is the principle of the bill? I submit to the house that, so far as a solemn legislative act on the part of the house is concerned, the full knowledge and appreciation of what is involved in the step parliament is asked to take is lacking. There is, in that sense, no principle in the bill.

The only principle that can be found in it, in the manner in which it has been presented to the house, is this, that a government which has grown accustomed during time of war to treat parliament with something between tolerance and contempt, has decided that it will ask parliament to give legislative sanction, willy-nilly and holus-bolus, to a whole volume of legislation, in a manner which absolutely precludes any detailed examination by parliament of the language of the orders to which it is proposed that statutory effect shall be given.

We are asked to swallow the measure on second reading—and in one swallow.

We are not given an opportunity of looking at certain of these measures and saying, "Some are of a temporary nature, while some in their subject matter obviously relate to subjects requiring permanent legislation." Parliament is not permitted to say, "We approve some of these measures; we disapprove others." No, we are asked on second reading to accept the bill and, in effect, to give blanket endorsement to a measure which, I say, is lacking in any principle upon which parliament can pass intelligently. To isolate the principle of the bill so that parliament may apply its intelligence to that principle is impossible under the circumstances created by the government. Parliament has been invited to stultify itself.

The method followed by the government is such as to thwart any attempt on the part of parliament to do its duty, to examine in every letter and detail the legislation it is asked to enact. The explanation is, of course, that our appeals to reason have fallen on deaf ears. Rigidity, again, has triumphed in the government.

The Minister of Justice has made reference to the situation which confronted the government and parliament at the outset of this session. He referred to the fact that the powers conferred upon the governor in council by the National Emergency Transitional Powers Act would come to an end on March 29, and that therefore the government found it necessary to secure from parliament specific legislative sanction for orders in council it deemed to be essential, or to ask for a general extension of the power to make such orders.

He has professed a desire for decontrol. Other members of the administration have professed a desire for decontrol. Most confusing statements have come from the government benches on this subject of its attitude toward decontrol. Sometimes there have been expressions in terms of advocacy of decontrol, and at other times there have been held up to parliament threats of national chaos if any further measures of decontrol were proposed. In this, parliament has not enjoyed clear leadership from the government; it has had only confusion thrown in its way.

At the outset of the session there were suggestions from the government—as a matter of fact one finds reference to this in the speech from the throne—to a desire on the part of the government to depart from the method of legislation by orders in council. It will be recalled that the Prime Minister (Mr. Mackenzie King), speaking on the address in reply to the speech from the throne, paused for one fleeting moment to do an act of devotion at the shrine of the supremacy of parliament. But we have been looking in vain for some indication on the part of the government that it really means seriously to restore to parliament the full supremacy of parliament which it lost in time of war at the hands of this administration, and which must be returned to it, now that we are in a time of peace.

The Minister of Justice did not repeat today the expressions he used on March 20, when introducing the legislation. I should like to remind the house of the test which the minister proposed to apply to all measures affected by the present bill. At page 1583 of *Hansard* he is reported in these words:

> Only the extreme nature of the emergency with which the country was faced justified the vesting of such powers in the executive.

And, Mr. Speaker, only measures passing that test—and it must be a severe and acid test—can, in my submission, be considered by parliament as worthy of continuance now—nearly two years after the conclusion of the war—under the guise of a continuing national emergency.

What did the government do? I ask you, Mr. Speaker, to recall the course which the government itself followed at the outset of this session. It introduced from time to time into the house no less than fifteen specific bills, bills in each case arising out of the fact that the orders in council which owed their validity to the National Emergency Transitional Powers Act would be coming to an end on March 29. Every one of these fifteen measures arose out of the termination of these orders in council. Some of these measures are of a permanent nature; some of them have time limits contained within their terms. Here they are, and I ask you, sir, and I ask the house to consider them in comparison with many of the orders in council to which reference is made in the schedule to the bill now before the house: the Immigration Act amendment, containing provisions permanent in their nature; Export and Import Permits Act, a measure which is given the life of one year; the Canada Grain Act amendment; Militia Pension Act amendment; Customs Act amendment; Foodstuffs Act amendment; Inspection and Sale Act amendment; Fertilizers Act amendment; Militia Act amendment; Patent Act amendment; Supplemental Payments on Mail Contracts Act; Department of National Defence Act; Trading with the Enemy Act; Wheat Board Act amendment; Agricultural Products Act. All these are permanent in their effect, with two possible exceptions. Most of them are amendments to statutes of parliament. Two of them are of a limited duration as appears by their terms. One to which I have referred, the Export and Import Permits Act, is given by its own terms the life of one year, and the Trading with the Enemy Act seems, if one can make anything of the language of that bill, to be intended to have a limited duration. You will have seen, Mr. Speaker, that most of these measures are in the form of permanent legislation. In the light of that fact and the fact that the government has already introduced measures of a permanent nature in at least thirteen bills and two others of perhaps a semi-permanent or interim nature, I ask why it was that when the government came to measures of the kind we find in the schedule to this bill it stopped short and did not proceed to introduce bills of a permanent nature which it indicates it intends to introduce at a later stage of the present session. It just does not make sense.

There is no distinction in principle between measures of the kind that the government has already introduced and a number of the orders in council in the schedule to this bill. Instead, the government has seen fit to present to this house in their full variety fifty-seven measures

rolled into one, in my submission the greatest hodge-podge of legislation ever presented to this house. I ask the house—this is not new—to have regard to the variety of subject matter contained in the measures referred to in the schedule to this bill. Think of it! Rolled into one measure we have this infinite variety, this hodge-podge of subject matter: Recovery of subsidies on food and the payment of such subsidies; preference in the civil service for ex-service men; exemption of imported anthracite coal from customs duty; exemption of coke made from coal from the war exchange tax when used for certain purposes; exemption of bagging material from customs duty when imported; tariff provisions with reference to well-drilling machinery; the whole broad scope of the powers and jurisdiction of the wartime prices and trade board, the most powerful body ever established by any government in Canada; the whole group of orders dealing with rent controls in Canada; those dealing with the incorporation and powers of the Commodity Prices Stabilization Corporation and the regulations made by it; the repayment of subsidies under the authority of the Commodity Prices Stabilization Corporation; the banking of ration coupons; the Government Employees Compensation Act—another act already introduced at this session; the consolidation of supplementary regulations; the order dealing with the power and jurisdiction of the Canadian Sugar Stabilization Corporation; regulations for the control of salt fishing; pelagic sealing regulations; the canned fish allocation regulations; prohibition of fishing licences to persons of the Japanese race; the authorization of appeals in cases involving breaches of the wartime regulations; wartime labour relations regulations, involving the whole scope of collective bargaining and the procedure consequent upon it; the protection of certifications granted under the Ontario collective bargaining act and the establishment of wartime labour relations boards in certain of the provinces; financial assistance to voluntary repatriates to Japan of persons of the Japanese race; the reservation to the crown of radioactive substances in the Yukon territory; the reservation to the crown of similar substances in the northwest territories; post-discharge benefits to the members of the armed services serving in the interim forces; regulations relating to naval, military and air force estates; regulations involving claims by or against the crown involving members of the armed forces serving overseas; salvage services by His Majesty's Canadian ships; payment of old age pensions and pensions for the blind; the regulation of the distribution of construction materials; emergency shelter regulations—sweeping powers conferred first on the minister and now on the Central Mortgage and Housing Corporation; orders dealing with wartime industries control, steel control, timber control; administration by the custodian of enemy property of property of persons of the Japanese race; transfer to the custodian of the property of Japanese evacuees; compensation to seamen for damage to their effects; authorization to the chairman of the board of steamship inspection to relieve ships from certain provisions of the Canada Shipping Act; a measure dealing with permission to Canadian chartered ships to clear on a voyage with masters, mates or engineers not holding appropriate certificates; and, finally, regulations dealing with an allowance to merchant seamen who are out of work.

I venture to say, Mr. Speaker, that if you take down every volume of legislation enacted by parliament and scan the subject matter embraced within the enactments in any one session you will look in vain for any volume containing such a tremendous variety of subject matter as you find in this one measure that is before the house today. There has not yet been on the part of the government any attempt to assist the house by breaking down this legislation and taking out of it, in the first place, the measures which the government frankly admits to be legislative in their nature. We made a plea for a breakdown because it would assist orderly procedure and save the time of the house, but the government has not seen fit to do that.

The Minister of Justice said that the orders were of three kinds, regulative, administrative and legislative. Of the legislative we have some requiring permanent legislation. In the first place, we have the orders dealing with old age pensions. By the government's own statement they are to be replaced by legislation this session. We have those dealing with labour relations and with the civil service preference.

Mr. MARTIN: There is to be old age pensions legislation.

Mr. FLEMING: That is what I thought I had said.

Mr. MARTIN: The hon. member said "replaced."

Mr. FLEMING: There is to be old age pensions legislation, and we were also told by the Minister of Justice that the bill to be introduced by the government would have the effect of replacing, so that the orders which now deal with old age pensions and pensions for the blind would be revoked.

These would be replaced by legislation. They will be done away with when this legislation comes into effect.

Mr. MARTIN: That will be one of the consequences.

Mr. FLEMING: Yes. We hope they will have more consequences, because more is needed today in the field of old age pensions. The orders that I have enumerated in these three categories number ten; but there are still other orders the need for which will come to an end as soon as the new legislation has been adopted. I refer particularly to six orders under the heading of the Department of Labour, which are attached to the bill. There are at least sixteen which, in my submission, are quite unnecessary and illogical to have included within the scope of the bill. The others could be regrouped in a way which would assist the house greatly, for example, those of a permanent nature such as the two dealing with radioactive substances in the territories, and those which are of a strictly temporary nature. Hon. members wish to be sure that there is no hiatus in the matter of these orders relating to old age pensions and pensions for the blind. I am sure that there would be strong support throughout the house for the continuation of rent control regulations, not necessarily in the precise form in which they appear today, but in general, and particularly in urban centres. But we are asked today to vote on second reading of the bill, without any opportunity to say which of these measures in this great vast volume we are prepared to support and which we are not.

The procedure which the government is following cannot fail to make it impossible for a clear expression of opinion to be given on the measure at this time. The Minister of Justice touched on the point that the National Emergency Transitional Powers Act will expire on May 15. Hon. members have told him, and I am sure it would be a matter of general consent, that as to these orders which ought to be the subject of permanent legislation there will be no objection, if the house has not had all the time necessary by May 15 to complete its detailed review of these measures, to permitting these particular orders to be continued for any necessary period. But the method followed by the government, without regard to the fact that, since it has proposed to introduce this measure, there has been an extension of time to May 15, precludes parliament from giving effective expression of opinion on the second reading of the bill.

I wish to speak briefly on the subject of emergency. The Minister of Justice said today that he supports the bill on the ground of emergency. The resolution which the house passed gave the government leave to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. Yet the government in almost the same breath tells us that a number of these orders are to be replaced by permanent legislation covering the same subject matter and having no relation whatever to the national emergency referred to in the resolution or in the preamble to the bill. We are being asked to legislate in this respect what is nothing but a fiction. If the Minister of Justice proposes to ask this house to support the continuance of orders which are to be replaced later this session by permanent legislation, on the ground that they must be continued because of a national emergency, if there is any emergency with reference to these orders it is not attributable to the war; it is attributable to the policy of the government in not bringing down legislation at the proper time, which is early in the session.

The house has not been assisted by what the Minister of Justice has had to say on the subject of the constitutional position of parliament in purporting to legislate under emergency powers. What the Minister of Justice has done is only to succeed in adding to the confusion in the house by the manner in which the bill has been presented. I again recall the opinion of the law officers of the crown submitted by the Minister of Justice to the house on this very point on March 20, which may be found at page 1553 of *Hansard*. I shall quote first from the opinion itself, which was read with approval by the Minister of Justice.

Mr. ILSLEY: The opinion as to the validity of what bill?

Mr. FLEMING: We are dealing with the powers enjoyed by parliament on the subject of national emergency. This is the opinion in part.

Mr. ILSLEY: On what bill?

Mr. FLEMING: In this connection.

Mr. ILSLEY: On what bill?

Mr. FLEMING: The opinion, as the minister well knows, was headed: "Memorandum for Minister of Justice re Bill 25." But the principle which the minister was enunciating at that time is the principle which

has a direct and inescapable bearing on the question before the house today. I say again, Mr. Speaker, that the contribution of the Minister of Justice on this subject has simply added to the confusion of the house.

Mr. ILSLEY: On a point of order, Mr. Speaker, the hon. gentleman cannot read from a previous debate on another bill.

Mr. FLEMING: I will remind you, Mr. Speaker, and the Minister of Justice—apparently he has forgotten it—that this same opinion and his comments on it were discussed in the house last Tuesday afternoon in the debate on the resolution preceding the introduction of this measure. So far as I am concerned, the Minister of Justice may have it read from the original text of *Hansard* of March 20, or he can have it read from *Hansard* of a week ago today where the same extracts from his speech of March 20 were read to the house in the debate on the resolution preceding this bill. He may have it either way; it makes no difference to me.

Mr. ILSLEY: I do not care whether the hon. gentleman reads it or not. I am raising a point of order which is based on the rules of the house.

Mr. SPEAKER: According to the rules of the house, the hon. member cannot refer to a former debate, but of course, if he is referring to a speech which was made on the question which is before the house, that is different.

Mr. MacINNIS: The minister's point of order was in regard to a previous debate. Was the statement made by the Minister of Justice a part of his speech in that debate or not? If it is a statement made by the minister it is a different matter altogether. My impression is that it is a statement.

Mr. ILSLEY: The only point I am raising, Mr. Speaker, is that any speech or statement that I made on the debate on the agricultural products bill cannot be quoted in this debate. Let me make it clear. I do not care whether it is read or not. The point of order I am raising is that we cannot go back to previous debates. The matter of precedent is important.

Mr. FLEMING: Perhaps that is the Minister of Justice's idea of trying to save the time of the house. He can have it either way. If he wishes to stick to his technical point, then I shall read the same passage which I was going to quote from *Hansard* of March 25 in the debate on the resolution preceding the bill. It will be found at page 1716 of *Hansard* of March 25 in the speech of the hon. member for Lake Centre (Mr. Diefenbaker). He is quoting from the speech of the Minister of Justice to which I have referred. Here we have the quotation from the statement made by the Minister of Justice on March 20:

> Our emergency legislation is based on the existence of a national emergency arising out of the war, on the emergency doctrine . . .

And further on:

> However I shall add my own opinion. I think on most occasions it will be the same as that of the deputy minister.

Again referring, Mr. Speaker, to the opinion of the deputy minister of justice that it is no longer necessary to rely strictly on the doctrine of emergency, that the effect of the recent decisions of the privy council has been to extend the power of parliament, so that parliament in these cases is not held down strictly to the four corners of the emergency principle as interpreted in the Fort Frances case of earlier days. And here we have a further quotation:

> I am not going to venture into an opinion on the matter.

These, again, are the words of the Minister of Justice:

> I am not going to venture into an opinion on the matter. However I have read the Canada Temperance Act case and the subsequent case, that of the Japanese reference, and it appears to me that the true effect of the decision in the Canada Temperance Act case is that there does not have to be an emergency to found jurisdiction on the part of the dominion; that the dominion may have the power even when there is no emergency to legislate for the peace, order and good government of Canada, even though its legislation touches upon matters ordinarily regarded as solely within provincial jurisdiction. In other words, the judgment of the judicial committee of the privy council as given by Lord Simon extends rather than narrows the powers of the dominion as they had heretofore been conceived.

Again we find these words from the statement of the Minister of Justice:

> As I say, these cannot be the only aspects of the emergency but these aspects are, I submit, sufficient to occasion a valid exercise of the powers under the peace, order and good government clause.
>
> To sum up: We do not need, under the Canada Temperance Act case, to establish a national emergency.

Could anything be more thoroughly calculated to confuse this house in its endeavour to measure the extent of any national emergency which is alleged to exist in certain aspects, necessitating some fifty-seven orders in council? The fact of the matter is that the insertion by the government of these words "in some aspects" in relation to the alleged national emergency shows conclusively that it is incumbent upon the government to establish,

with reference to each of these orders, with reference to each subject matter dealt with within the broad scope of the fifty-seven orders, the existence of a national emergency in that particular aspect, the aspect relating to the subject matter of each of these orders in council. And that cannot be done. It is an impossibility to do it on the second reading. In the light of the confusing statements made by the Minister of Justice on this subject of jurisdiction, how can it be expected that parliament, with this hodge-podge thrown at it by the government, can give a proper and intelligent expression of opinion on the alleged principle of this bill?

Then, Mr. Speaker, I offer this observation just in passing from the subject of emergency. It is, of course, the habit of the government to refer to the emergency that existed during the time of war, and the function that was fulfilled in time of war by certain of these controls. We could admit all that sort of thing, and it would not advance us one iota towards an orderly consideration of the problem presented by the bill.

We are not now considering what happened during the time of war, when this country faced a grave crisis, the greatest in its history, along with the forces of freedom throughout the rest of the world. What we are dealing with today, nearly two years after the conclusion of hostilities, is the situation we find ourselves in at the present time, a situation in which the government must, in my submission, prove with respect to each of these fifty-seven measures the existence of a national emergency with relation to that particular subject. There must be proofs on these fifty-seven aspects if the government is to have a sound constitutional foundation for legislation of this kind, and that goes to the root of the whole question. It establishes, it seems to me, the utter impossibility of the government justifying the principle of a bill like this when the constitutionality of the measure can be established only by reference to each of the fifty-seven orders and proving that, for the special subject matter of each order individually, there exists a national emergency.

We had hoped, during the consideration in committee of the whole, at any rate, on the resolution, to have received from the government some clear statement of its objective with reference to decontrol. I am afraid we have just about as clear an idea now of the government's objective as we had when we started.

Mr. MARTIN: Is my hon. friend not happy to be a Canadian citizen?

Mr. FLEMING: I seem to hear the tones of citizen Martin, Mr. Speaker.

Mr. MARTIN: Are you not a citizen?

Mr. FLEMING: Yes, but I am not citizen Martin.

Mr. SPEAKER: I would call the attention of the hon. member to the fact that he cannot mention a member by name.

Mr. FLEMING: Then, Mr. Speaker, I will refer in passing to the interjection offered by the minister in stentorian but mellifluous tones.

Mr. MARTIN: Good.

Mr. KNOWLES: Explain.

Mr. FLEMING: On his voice alone he should win the leadership of the Liberal party in a walk.

Now, Mr. Speaker, has the government no objective with reference to this alleged emergency? We have asked the government for a clear statement of its position. Is there no objective in terms of a desire to approach at least some semblance of constitutional normalcy in this country? We have not had a statement in that regard. Surely the government must see that at some time there must be a return to constitutional normalcy.

Mr. GILLIS: Would the hon. member mind defining that word?

Mr. FLEMING: I do not know that I should take up the time of the whole house to answer that question. I do not expect a socialist, who does not want to see an end of emergency, who wants to see the dominion going on trampling upon the rights of the provinces, to desire a return to normalcy. I do not expect him to want to see the country return to normalcy, and a resumption by the legislatures of the provinces of their normal rights under the constitution. I fully expect him to be opposed, as he and his party have shown themselves to be opposed, to the provinces recovering the rights given them under the constitution. They have gone on preaching the doctrine of centralization, because they know that centralization of power at Ottawa is necessary if they are to fasten the yoke of socialism upon the people of the country.

Mr. KNOWLES: We know what the hon. member means by normalcy.

Mr. FLEMING: No wonder the socialists in this house do not want to see us get back to the terms of the constitution.

Mr. KNOWLES: Back to the conditions in 1930.

Mr. FLEMING: No wonder they prolong the fiction of a national emergency, in order that centralization of power at Ottawa may continue. They support it; it is their policy.

Mr. GILLIS: Take a look at Nova Scotia since they lifted the coal controls. Explain that, will you?

Mr. FLEMING: I am sorry I did not hear what the hon. gentleman said. Probably it was not worth hearing anyway.

Mr. GILLIS: I said—

Mr. SPEAKER: Order. The hon. member who has the floor must not be interrupted.

Mr. GILLIS: I should like to ask the hon. gentleman a question if he would permit me.

Mr. FLEMING: Yes; I will do so with pleasure.

Mr. GILLIS: Does he think the relinquishing of coal controls has improved the economy of Nova Scotia on the basis of the present upheaval down there?

Mr. KNOWLES: Yes or no.

Mr. FLEMING: If the hon. member will tell me—

Mr. KNOWLES: Yes or no.

Mr. FLEMING: Will the hon. member tell me what possible use there would be in continuing powers in the hands of this government when they will not even use their good offices to try to bring about a settlement of that disastrous coal strike? What is the sense of giving them power? If the hon. member wishes to make his speech on the question of opposition to the relinquishment of control powers, then he had better go the whole way and tell the truth to the people of Nova Scotia and of Cape Breton, that he would have opposed measures of decontrol and, with them, that measure of decontrol which did away with wage ceilings and salary ceilings.

Mr. COLDWELL: If you shoot the cost of living up, people must receive decent salaries.

Mr. FLEMING: I submit that, until there is a clear definition of an objective set by the government, and which parliament must be able to endorse before it can give approval to the alleged principle of this bill, we simply cannot assume that there is somewhere an orderly plan of decontrol. The government must have some objective, because the legislatures of the provinces must know when the dominion intends to step out of the field now occupied by the government under the guise of the existence of a national emergency. The people, who have their own individual problems—landlords, tenants, farmers, business men, employees—must know what objectives the government is aiming at, so that they can be prepared for the day of decontrol or for the day of partial decontrol. We must know. There is today the greatest uncertainty in the country as to what the government is really driving at with reference to decontrol. Nobody knows, and I suspect the reason is that the government itself does not know.

Mr. KNOWLES: Where does the hon. member's party stand on price control as a result of their convention?

Mr. COLDWELL: What was the resolution that was passed over the week-end?

Mr. SPEAKER: Order.

Mr. FLEMING: Mr. Speaker, I should be delighted to read, for the enlightenment and instruction of our socialist friends to the left, the very desirable recommendations submitted by the recent annual meeting of the Progressive Conservative Association of Canada for the good of Canada.

Mr. COLDWELL: Let us have the resolution on control.

Mr. MICHAUD: It is a secret resolution.

Mr. FLEMING: Nothing would give me greater pleasure than to read the resolutions. If some hon. member would furnish me with a copy, which I have not in my possession at the present time, I would have the utmost pleasure in putting them on the record of the house. It would be a signpost to guide all parties in the house to the desirable end, for the good of Canada.

Mr. COLDWELL: Read back to 1931.

Mr. FLEMING: I come now to the terms of the bill and the important schedule to it, Mr. Speaker. In the first place, I submit to you that the bill is quite improper in its composition or in the form that it takes as submitted to this house. What we have is simply reference to a number of these measures by order, by subject and by date. The Minister of Justice makes a big play of his claim that when the house resolves itself into committee of the whole an opportunity will be provided for all members to scrutinize these orders and to amend them. Let us have some regard to the facts. What have we in the bill before us? Suppose, when we come to the order dealing with rent control, I wish to make an amendment to the order to provide that veterans who have purchased houses in good

faith for their personal occupancy should not be denied occupation of them; how am I to do that? Apparently, I must, in committee of the whole, make reference to an order which is some pages in length, and somehow try to put before the house some particular provision. I do not know how I am to refer to it unless I say page number so-and-so, line number so-and-so in this volume which we are told is not before the house. We were told as much this afternoon by the Secretary of State for External Affairs (Mr. St. Laurent). How on earth is the house, in committee of the whole, to apply its intelligence to deal with these measures individually, *seriatim*, and pass upon them line by line and page by page? The method followed by the government will just defy any effort to bring order out of chaos, even in committee of the whole. An insuperable problem has been created in the procedure which has been adopted.

I wish to make this further observation in conclusion. I suppose it is not to be wondered at that many of us in this house approach with a measure of suspicion a proposal from the government that vast, sweeping powers be conferred on bodies outside the house, when we have regard to the fact that, over the period of years during which some of these orders have been in effect, we saw the eclipse of parliament while the strength of the controllers grew; when we saw orders in council being passed even while parliament was in session; when we saw necessary information denied to parliament on the ground that it was not in the public interest; when secret orders were made and information concerning them was denied to this house. And when today we see no objective toward which decontrol could move on an orderly basis; when we see rather on every hand the continuation of the bureaucratic complex; when we see an attempt made on the government side—and joined in, of course, by their allies, the socialists—to perpetuate this centralization of power at Ottawa into the time of peace, small wonder it is, in the light of all these facts, that we approach a measure of this kind with a certain degree of suspicion.

We do not look for a too frank interpretation on the part of some parties of the stand we are taking on this measure. We are taking a stand to this effect. In the light of the way in which the government have presented this measure, the way in which they have created confusion by the procedure which they have followed, the way in which they have prevented parliament from trying to bring any order out of the chaos of government creation, we say that there is no principle which can be isolated from this bill and on which parliament can be asked to pass an intelligent opinion. And we say that, until there is clear justification, we do not wish to put parliament in the position of simply abdicating great powers in favour of bureaucratic boards outside parliament. Let it not be said that we are opposing these orders in council holus-bolus, because that cannot be said honestly by anyone. What we say is that, on a measure framed in the terms in which this one is framed, and following the procedure on this bill which the government insists should be followed in the face of appeals to reason, it is impossible for this house to pass on the principle of this bill; and that is not to be taken as opposition to all these orders in council, because we simply say that we are not prepared to swallow everything holus-bolus. Whatever is good and whatever is bad have been mixed together here in such a way that it is impossible to extricate the one from the other.

Therefore, Mr. Speaker, in order that the position taken by the official opposition may be clearly before the house and before the people, and in order that the position we take may not be open to misinterpretation by political adversaries, let me now present to the house an amendment which I offer, seconded by the hon. member for Yale (Mr. Stirling):

> That all the words after "that" be deleted and the following substituted therefor:
>
> "While recognizing that the said bill deals with some matters such as old age pensions and veterans in the civil service which do not depend for constitutional validity on the existence of an emergency and some other matters which can only be dealt with by this parliament on the basis of an existing or apprehended emergency; and while willing to support properly drafted legislation dealing with such matters:
>
> This house is unalterably opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the presently existing boards outside the control of parliament."

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, as my colleague the Minister of Justice (Mr. Ilsley) has intimated, I am entering this debate mainly for the purpose of announcing another step in the government's programme of orderly decontrol. Before doing so, however, I should like to make a few general observations with respect to the bill before the house. There was a good deal of discussion on the resolution which preceded the introduction of the bill, and I have no doubt there will be a good deal of discussion both on second reading and when the bill is in committee, so that I do not intend to prolong the debate unduly at this time. However, as the minister responsible

for the administration of some of the controls covered by orders in council included in this bill, I wish to say a few words at this stage.

My colleague the Minister of Justice, who had the responsibility of administering the stabilization programme during all the war years, and who, if I may say so, discharged that responsibility effectively and with courage, has stated the reasons which impelled the government to seek an extension of these emergency controls over certain prices, supplies and rentals for a limited period. With the reasons he has advanced I am in full accord, and I am not going to take up the time of the house by attempting to cover the ground again.

There are, however, two points I should like to make. The first is that the government seeks an extension of its powers to control these prices, supplies and rentals for one reason and one reason only, namely to continue to give the ordinary people of this country, the farmers, the fishermen and the workers in the cities and towns, a fair break in this transition period. During the war our policy was to prevent inflation and to provide and enforce a fair distribution of goods which were in short supply. Prices were held under a pretty rigid price ceiling; but that policy worked. We are more than ever convinced that this over-all price ceiling policy was the only policy which could have worked successfully. When the war came to an end, however, we felt that a rigid over-all price ceiling was no longer appropriate, that sooner or later Canadians would have to adjust themselves to the realities of the post-war world, so that we began to adjust ceilings and to remove controls steadily and carefully, trying to avoid dislocating adjustments.

Of course we could have taken another line —and I gathered the impression, in the course of this debate and in the discussion on the resolution preceding this bill, that the official opposition would have favoured such a line—that is, the sweeping removal of all controls at once. From some points of view, of course, that would have been the easier course, and it certainly would have afforded some excellent opportunities for making nice speculative profits. But whether or not the abandonment of all controls was the easier course, it certainly was not the wiser course, and, in my opinion, it could not have been followed without involving the government in an act of bad faith toward the people of this country. Canadians have, I think, been led to expect a responsible and careful policy of decontrol, and I for one am not going to be party to the sort of panic-stricken retreat from controls that is advocated in some quarters.

The course that has been taken has naturally led to accusations that the government is control-minded; that it likes to order people about, and that it is reluctant to let go its wartime authority. I can speak for myself, and I believe I can speak for all my colleagues, when I say there is nothing we would like better than to be able to announce today that all remaining controls could now be safely withdrawn; but we cannot make any such announcement. The government is convinced that to remove such controls now would have the most serious consequences, particularly for those least able to protect themselves. Our policy therefore is and has been one of what we believe to be orderly decontrol; and I am certain that in following such a policy we have the overwhelming support of the people of Canada.

My second point is that the government has already made substantial progress in the direction of decontrol. If any evidence were needed of the government's desire to get rid of controls as soon as that could be safely done it is to be found in what has happened since the end of the war, and particularly in the record of the past few months. There are some, I know, who feel that we have moved either too quickly or too slowly in some directions. I do not think we have, but such questions are, of course, matters of judgment, and there can be differences of opinion. I do say, however, that every item in the important list of goods and services which will remain under control after today is in that list for very good reasons.

In accordance with the government's decontrol policy, I wish to inform the house that, effective tomorrow, a substantial additional number of goods and services are to be released from price control. Today the wartime prices and trade board has issued a new order in which the specific list of goods and services which continue under price control is set out; but for the information of hon. members I should like to give a summarized statement of the significant items in the main categories which are now being removed from control.

Mr. FLEMING: It is already in the Ottawa *Evening Journal.*

Mr. ABBOTT: Not all of them. In the section dealing with foodstuffs the release from ceilings includes candy and confectionery of all kinds, cocoa beans and their derivatives, and beverage preparations made from cocoa. Soft drinks are being removed. An amendment is being made to the list of processed meats, under which certain of the non-standard kinds of sausage and some of the

canned and cooked meats are being released. Hon. members will recall that eggs were removed from the price ceiling a short time ago, and we are now removing turkeys, ducks and geese in live or dressed form.

With regard to fuels, all coke, coal, charcoal and fuelwood are being removed from the price ceiling. In the case of coal and coke, however, this will not become effective until midnight, April 15. The reason for this is that we are concurrently cancelling all subsidies of every kind on either imported or domestic fuels. There is, however, a complicated structure of subsidies on different types of fuels, so that it is necessary to withdraw them at different intervals. Consequently the subsidy on imported anthracite coal and briquettes made from the coal will cease at midnight tonight. In the case of imported bituminous coal and briquettes made from bituminous coal, the subsidy will cease on April 15. Special subsidies paid to coal producers will cease on April 15, and sundry emergency subsidies, covering certain transportation costs on coal or coke diverted or allocated to markets not usually supplied, will be cancelled on April 8. Any other emergency subsidies not included in the foregoing will be cancelled as from April 15. By following this procedure, we are adopting the most equitable method open to us in dealing with the problem of inventories in the hands of coal dealers, and at the same time ensuring as far as possible that consumers will get the major benefit of subsidized inventories, particularly in the case of imported anthracite, where the inventories on hand represent the larger part of the current available supply.

In textiles there is a lengthy list of specific garments which are affected; but, speaking generally, the step now being taken in this group removes from price control wool in all its forms whether as yarn, fabric or clothing. Again speaking generally, and with some exceptions in point of detail, I may say this means that textiles consisting wholly or chiefly of cotton or rayon will remain under price control, having in mind that a substantial subsidy is still being paid on raw cotton going into process.

The ceiling is removed from footwear of all kinds. I should point out, however, that leather itself, as well as hides, remain subject to price control. In the section on household equipment, cooking ranges, refrigerators of all kinds, domestic washing machines and domestic sewing machines are freed, as well as all plumbing and sanitary equipment and a fairly lengthy list of construction products. All motor vehicles are being removed. The list of containers and packing materials still subject to price controls has been reduced to those made from textile fabric only and including bags, cases, envelopes, folders and sacks. All chemicals and plastics are removed, and in the paper and paper products field, while the list of end products has been substantially reduced, price control is retained on basic materials such as wood pulp, paperboard and waste paper.

As I said earlier, detailed particulars will be given by the wartime prices and trade board; but for the convenience of hon. members, I am tabling a supply of the new order of the board which gives the revised list of goods and services still remaining under price control. For the convenience of the general public, an advertisement will also appear in the daily newspapers giving particulars of the new order.

Before completing this statement, I should like to add a brief comment about the meaning of the step now being taken. Hon. members will recognize that the decontrol measures now announced, together with the announcement made last January, represent a further step toward the final elimination of wartime price control. As far as possible, the release from ceiling control has followed the pattern for an orderly readjustment, to which I have already referred, and which has been outlined by the government on a number of previous occasions. Maintenance of control up to this point has avoided the violent fluctuations which are so disrupting to trade and industry, and which have been so apparent in many other countries. Any price adjustments which follow the present step will, we believe, bring us smoothly to the levels which are now appropriate.

The list of goods and services which remain under control covers many of the basic necessities of life in food, clothing and shelter where uncertainties, which we hope are of a temporary nature, are still sufficient to require the retention of that control. In some cases, as I have mentioned, subsidies are still being paid, and some pricing adjustments may be found advisable as a stabilizing influence before the commodities concerned are entirely freed from control. These matters are under close study, and announcements about them will be made from time to time.

Hon. members will recognize the significance, for example, of our leaving the whole range of agricultural machinery and implements under price control. Our general view is that price control in this field should remain until most of the products of the farm are released. Apart from this special class, however, our plan is to remove end products or fabricated commodities from the ceiling as their pro-

duction reaches the point where a major shortage does not exist. But to ensure stability until markets find their levels after some five and a half years control, we think it wise to continue for a further period many of the basic materials.

Finally, in the question of shelter, acute difficulties remain, so that rental and eviction controls must be continued. Some amelioration in the present regulations has been under active consideration by the government for some time, however, and I hope shortly to make an announcement of what changes are considered feasible in this field, while still giving tenants the necessary protection under existing conditions of shortage of dwelling space.

Mr. SMITH (Calgary West): Would the minister permit a brief question. When he referred to subsidies with respect to coal, I take it he did not include the freight subventions?

Mr. ABBOTT: No. Those are statutory subsidies.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, we are witnessing a most peculiar procedure here. We have before us a bill dealing with control; and while we are debating the bill, it is being chiselled away, so that by the time we finish with it we have no assurance as to whether there will be any controls.

I have not been critical of the government, but I do say it should have more respect for the House of Commons than to ask the house to acquiesce in that sort of thing. I should like now to draw the attention of the house to the nature of the price controls which have now been removed. So far as I could gather from what the minister read, it would seem that controls on consumer goods are removed, while controls on manufacturers' goods are maintained.

That means that in respect of the things the manufacturer has to buy in his business controls will be maintained. But when the manufactured process is complete and the goods reach the consumer there will be no further controls. The consumer is not protected, the big business man is. That is a serious situation.

Leathers and hides are controlled, shoes are uncontrolled. Woollen products are treated in the same way. The manufacturer buys leathers and hides, but the consumer buys shoes. We find that in the first instance we have controls, and in the other no controls at all. We are not protecting the people who need protection; and the people who do not need protection are receiving it.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Mr. RALPH MAYBANK (Winnipeg South Centre) moved:

That Bills Nos. 28 to 58 inclusive, Nos. 60 to 71 inclusive and Nos. 74 to 103 inclusive be now read a second time.

Mr. FREDERIC DORION (Charlevoix-Saguenay): Mr. Speaker, if we look at the number of divorce bills that are already coming to this house at this early stage of the session from the divorce factory of the other place we can easily foresee that the flood of divorces will be much greater this year than in any previous year. Since this is the first time during this session that we have been asked to pass a certain number of these bills, I take this opportunity to protest once more against the too great facility with which these divorces are granted and to record my objection to the granting of divorce altogether by this house.

We are reminded every day, and I believe it to be true, that we are proceeding through a period of readjustment after the miseries and the hardships and conflict of the last six years. Nearly half the world is still living under harsh conditions, and even in the victorious countries people are struggling to get out of the entanglements in which we have been living for many years. Every day we are receiving numerous requests from all kinds of organizations, social clubs, labour unions, et cetera for the passing of social legislation to raise the standard of living and to help our fellow citizens enjoy a comfortable life. But, Mr. Speaker, my contention is that it is not by the enactment of numerous laws, social legislation, et cetera, that we shall find a proper cure for the present situation. Even if we were to sit here all the year round passing law after law, our country would not be in any better shape if the morality and behaviour of the people were not what they should be. We must face without fear the situation as it is and endeavour to correct the evil at its very root.

It is a well known fact that the family is the essential element of society. It cannot be denied that if you destroy the family, society

will collapse, and that if you have good, healthy and solid families, society itself will be strong and prosperous. Therefore, if it is our duty as legislators to provide the nation with the necessary physical needs, our mandate will be fulfilled only if at the same time we enact the necessary legislation to prevent the moral decadence from which the people may suffer. Let us save the family and then we can face the future of our country with confidence.

Permit me, Mr. Speaker, to quote from an article published in the last issue of the magazine *New World* and entitled "What makes people happy?":

A Harvard professor recently stated that if the basis of civilization, the family, is to survive, it must be sold like soap flakes on bill boards, four-coloured advertisements and the radio, by a firm to be called Hucksters (International) Inc. Another news report from Los Angeles which shows that there are five divorces for every six marriages in California, adds point to his suggestion, particularly when we realize that the Canadian divorce rate is rising every year.

In contrast with Britain we rate money above family life. A comparison between findings of the Canadian institute of public opinion and the British institute when the question was asked, "Will you tell me in your words what the word 'Happiness' means to you?" showed the following returns:

Happiness First

	Britain Per cent	Canada Per cent
Family life	33	19
Sufficient money, et cetera	13	38
Contentment	20	32
Health	13	18
Friends	3	7
Religion	1	2
Dont know	7	6

The article goes on to say:

While the above table makes comparison a little difficult, in that the total percentage exceeds 100 per cent because some people listed more than one reason for the meaning of happiness, the comparison does, however, show that our standard of values in Canada badly needs overhauling. If we teach our children that happiness consists in having sufficient money, they will be forever chasing a will-o'-the-wisp, because no one ever has sufficient money—we can always use another ten dollars. And our children, when they grow up, will feel that their marriages are unhappy because they do not have sufficient money, and that they are, therefore, entitled to a divorce.

The function of a woman after marriage is to be a good wife and good mother. This is one of the most difficult jobs in the world, and skill in this task is not an accident. It demands everything that she's got. Therefore, since 95 per cent of women get married, it would be as well to teach girls in the last grades, in addition to Romeo and Juliet and quadratic equations, something about child care, sex, budgeting, and household economics. It is true that a few women's ambition might be to work in a factory or office, but they will always represent a small minority.

Why don't we teach boys and girls the meaning of marriage so that they will not, in increasing numbers, have an emotional let-down after marriage and seek the divorce courts?

Thus it goes without saying that divorce is the most direct menace to the family. Mind you, Mr. Speaker, when I speak of divorce, I have in mind not only the bills that are before us, but also the situation as it now exists throughout nine provinces; because, if our attention here in this house is especially drawn to the divorces from the province of Quebec, we must not forget that it is still the province in which there is the smallest average number of divorces. I have here some figures from the Canada Year Book 1945, page 151, showing that in 1943 there were 3,263 divorces in the whole dominion, of which ninety were in the province of Quebec.

When one speaks on questions like this we are often asked, and rightly so: Well, what do you suggest to correct the situation? I believe, Mr. Speaker, that, first, our laws are such that it is much too easy for people to obtain a divorce. People get married without enough precautions, because they know that if they cannot get along with each other as smoothly as they wish, it will be very easy for them to quit and start anew with somebody else. Therefore the federal law relating to divorce, as well as the laws of the provinces where there is such legislation, should be modified so as to restrain as much as possible the granting of divorce.

But there is another means much more effective. This would be to direct those who are responsible for the education of our young people, to educate their pupils more fully on the gravity of marriage and the responsibilities that are attached to the union of man and wife, which must always be regarded as sacred.

I know, as an example, that in my home town, in the parish in which I live, our parish priests have organized once a week lectures for the young men and women on preparation for marriage. And nobody can deny that, in the province of Quebec, let alone the city of Montreal, there is not one divorce per 100,000 of population.

Permit me, Mr. Speaker, to quote from a declaration of the Bishops of Canada dated January 18, 1945, the following passage:

Marriage and family. If it pleases us to realize that public attention is drawn towards the economic security of the family, we cannot but deplore the forever renewed attempts to loosen the sacred bonds of marriage. We condemn without hesitation all measures originating sometimes even in the midst of public organi-

zations, of whom we would have a right to expect more clear-sightedness, to introduce divorce in provinces who still reject it or to render it more frequent and easier than in others. We particularly invite the Catholic associations to voice their protests against these enterprises of de-Christianization of marriage and family and to claim that the legislative and judiciary authorities treat this double institution in line with Christian teaching and the best traditions of our country. It is also our hope to see as soon as possible the family, broken up and disjointed by the sad necessities of the war, find once more its integrity and equilibrium wanted by God, and to see the prompt return of wives and mothers to the home of which they are the guardians. We sincerely hope for a true family policy, a policy of protection and of assistance to the family, living cell of all social corps.

It seems to me that what is most needed is not only modified divorce laws, but an opening of the whole question of family relationship and responsibilities, with a view to creating fitting institutions, both legal and social-advisory, to deal with them in a more inclusive manner, with the object of decreasing hasty and ill-considered marriages, and hasty and ill-considered divorces, with the welfare of the children as the central social concern.

Divorce is a primary Canadian problem if only for the close relation it bears to another leading problem, juvenile delinquency. The experience of the juvenile courts shows that a large majority of young delinquents come from homes broken by divorce or otherwise.

The only normal life for a child is in the family, and the minimum description of a family is a father, a mother and a child. When the father goes, the chief element of security goes with him, whether actual or psychological. If he goes by death the child at least retains the image of the father as a memory and an example. If he goes by an act of his own will, or the will of the mother, the child feels bereft and cheated, and this feeling awakens in him unnatural and unsocial instincts. Therefore, for the sake of the child, for the sake of the society, for the sake of morality, let us save the family by all means, and for that purpose, let us endeavour to raise the strongest possible barriers against the flood of divorces which is, for a country, worse than any other means of destruction.

I had occasion to read many reports of the senate committee on divorce, and I was amazed to notice the lack of real evidence that is produced in every case. Truly, Mr. Speaker, one cannot conceive that such important decisions be taken on so meagre evidence.

As I said at the outset of my remarks, I am opposed to the granting of any divorce. I submit also that there still is another duty for any member; it is not to accept for presentation before this house any bill that does not comply with the following elementary principle: "The most insignificant contract cannot be broken by either one of the parties to it, when there is not the faintest shade of evidence that this can be done."

Mr. T. L. CHURCH (Broadview): This matter has been up every session and illustrates the fact that the House of Commons should have a legal committee to consider these legal bills and matters. All provinces but Quebec have a divorce court. After the last war we were faced with the same state of affairs. The situation is not local. Every country on earth is confronted with this problem. It has today become a canker in almost every state in the world.

The government of the day is responsible for the law. The enforcement of the law lies with the provincial attorneys general. Nobody wants to force a divorce court on Quebec; it is largely to be left, as formerly, a matter of their own selection. After every war there has been a great dislocation. Pitt was faced with it. The Addington administration was faced with it. They had the same thing in 1815 and after the first great war. The same thing happens after every war. Since the recent war there have been many applications for divorce. There has been talk of widening the grounds of divorce; at the present time the only grounds for divorce in Canada is substantially adultery. A few years ago we had a learned discussion about the matter. After the last war is was decided to establish divorce courts in Canada. The high court judges are getting sick and tired of it. I do not see why the high courts in the provinces should be saddled with this work. In my opinion, the state must have some responsibility because, as you know, Mr. Speaker, a husband deserts his wife and children, leaving them to charity, and goes abroad. It is an outrage. Nobody knows where he is. In many cases that has grown out of the war. The husband has come home and a divorce has been obtained, or he leaves his wife and children. Sometimes there are faults on both sides.

The government of the day should lay down the divorce policy of this country. The system which is now in force is costing a great deal of money at every assizes. There are thousands of cases in the county of York. The list now requires, at certain times of the year, non-jury sittings of three or four high court judges. Three or four judges were sitting a few weeks ago at the court house in Toronto dealing with divorce. The applicants

do not all live in our city. They come from all parts of the country. Our judges are sick and tired of it. The cost of parliamentary divorces in Ottawa is out of all proportion to the services rendered. Lawyers have to be engaged; railway fares paid; hotel bills; witnesses are brought down and all that kind of thing. This is not the only place that is confronted with this problem. We know nothing about the subject matter of all these cases now before us. There is not one hon. member who knows very much about any of these cases. I do not know anything about them. It is time that parliament laid down a new policy. It is also the duty of the state to look after the children and the wife who are not guilty in these cases. The state must have some duty to these unfortunate children, because the first duty of a government is to look after the health, wealth, peace, happiness and prosperity of its citizens.

The province of Quebec seems to want to have parliament saddled with this burden. Prince Edward Island has, I believe, got at last, or has now applied for a court. Nearly all the cases that come before parliament claim domicile in Quebec. We have now received some 132 applications from the other place, but that is only a partial solution. It is the duty of the government to lay down a policy on this matter. Second, there should be a legal committee; third, these cases in the various provinces should be transferred from the high court of justice to the county court. The county courts are local, whereas our high courts are not. The judges of the high courts go out on circuit. These divorce cases prevent the proper administration of justice, particularly when the lists are crowded with these cases. The high courts are held once or twice a year in some counties. Some of the counties are now united in high court work and the judge appears only one or two times a year, when there is a murder trial. Sometimes the lists are all congested with divorce cases. You know from your experience of the law, Mr. Speaker, that the lists are congested in every county in Ontario. It is the same all over the world. In the United States it has become a canker on the state, and that is going to take place in this country unless the government takes hold of it and lays down some kind of policy. Certainly it is a burden on municipalities when you consider the costs of relief for the individual family, and deserted wives and children who are a charge on others of the same family and left to charity with a lot of misery and suffering.

This is the forty-fourth day of the session and, while we have dealt with all sorts of material things, we have not seen fit to spend five minutes of our time considering more important matters affecting the welfare of individuals in relation to this most important question in which all humanity is concerned. The human side of our work has been forgotten while we have dealt with material things. We have forgotten, it seems, that we are living in a civilized country. As I listened to the proceedings the other day in a committee which was considering the affairs of Indians, Eskimos and people in the northlands, and after hearing the evidence given there, I began to doubt whether we were really living in a Christian country. I think the time has come for action.

So far as the cost of divorce is concerned, it is simply fabulous. People have to come all the way to Ottawa and appear before another part of parliament meeting in another place. There are lawyers and witnesses, hotel bills, railway fares and all that sort of thing, and the cost is far more under the parliamentary system than it is in the law courts. Remember, the local courts are closer to the people and I am sure the fees would be limited to $50 at the outside, whereas under the present system it runs into hundreds of dollars. I think we can compare the costs of parliamentary fees with those in the high court of justice. In the county courts, on the other hand, the cost would not be so high.

I submit that it is the duty of the government to solve this national problem. A large number of medical men take the view that the grounds for divorce should be widened. As opposed to that, certain churches do not believe in divorce. The bishops of the church of which I am a very humble member are opposed to divorce, as was the Lambeth conference, on the ground set forth in the text, "Those whom God hath joined together, let no man put asunder." But a large body of respectable public opinion has asked and is asking for some better solution.

There is no doubt that in England a large body of public opinion is departing from that principle, but when we see the suffering of women and particularly the suffering of children; when we consider the broken homes and all the tragedy involved, I think it is the duty of parliament, instead of devoting its time exclusively to the consideration of material questions, morning, noon and night, to set aside at least a part of its time for the consideration of human rights and privileges, and the health and welfare of the population.

I hope there will be a scale of fees recommended by the learned Attorney General of Canada. He has not been long in the department, but he is a man with a practical mind, and I would appeal to him to help solve this great question and to lay down a scale of fees to be charged.

Mr. W. GARFIELD CASE (Grey North): I think it might be well, Mr. Speaker, for me to add some words to what has been said, since I have interested myself in this phase of our national life. I doubt whether we can legislate people into happiness, and therefore I am not in any sense taking exception to divorce as a principle. I feel, however, that much could be said regarding the method employed.

I have it on good authority that these divorces are dealt with at the rate of four an hour in the other place, and sometimes the rate is even more rapid. A firm of detectives in the city of Montreal—practically the same firm of detectives—supplies all the evidence, which is apparently written according to form and submitted no doubt to save time.

My principal objection is that not sufficient time is available to deal with the various phases of the applications, and to deal with them conclusively. No provision is made for the ones who are likely to suffer most; that is, the children in the family involved. If my memory serves me correctly, the Secretary of State for External Affairs (Mr. St. Laurent), when Minister of Justice, promised that the government would give some consideration to the possibility of setting up a central court of a character that would deal with these divorce bills.

I feel that local autonomy must be respected, and since the province of Quebec does not care to have divorce courts we find that the bulk of the divorce applications come from that province.

I think there is some point in what the hon. member for Broadview (Mr. Church) said, that if this is to go on we should seek to set up a legal committee of the House of Commons to review these divorce bills. After all, I question very much whether many hon. members read the evidence. If you read the evidence in one or two bills you will find a certain resemblance between them and each of the others. We are not in the position of a jury. We have not heard the evidence; we have had no opportunity of cross-examining witnesses. In other words, we know absolutely nothing about what has taken place. We are simply treated as rubber-stamps and are supposed to give our approval to something of which we know little or nothing. This puts the emphasis in the wrong place.

I suggest that if this system is to continue, the final disposition should be made by the other place and should not be referred to this chamber at all. They are the ones who hear the evidence and who enjoy the right of cross-examination, and therefore they are the ones in the best position to approve or disapprove.

I wish to leave that thought with hon. members, because something must be done to cope with the situation, which certainly is not in the best interests of those families that are bound to be affected, particularly the little children whose fate is to be decided by a civil action at some later date. I hope the government will even yet give some consideration to a more practical plan of dealing with the hundreds of divorce cases that come from our sister province of Quebec.

Mr. J. A. DION (Lake St. John-Roberval) (Translation): Mr. Speaker, I wish to add a few words only in support of the remarks just made by the hon. member for Charlevoix-Saguenay (Mr. Dorion). I do not always share his opinion, but tonight I am in complete agreement with his views and I have no hesitation in saying so.

I believe that the present procedure in divorce bills is highly unsatisfactory to the members of this house. As the hon. member said a moment ago, we are faced with a number of bills which we know nothing about and we are asked to vote on them although we are entirely unaware of their purport. The makers of our constitution vested in parliament the right to legislate on divorce cases arising in provinces where no divorce courts are established. Divorce cases in such provinces must come before parliament to be settled by a bill. This method was meant to render divorce less frequent and more difficult to secure. But with the present practice, parliament has become a divorce mill and, as a result, divorce is much easier to obtain. We are thus defeating the very ends which the authors of our constitution had hoped to attain.

It is our responsibility to devise a more efficient procedure as regards the consideration of such bills. We must know on what we are expected to vote before coming to a decision. May I suggest that a committee of this house be appointed to consider, amend and improve the present procedure in that respect.

Mr. EUGENE MARQUIS (Kamouraska): Mr. Speaker, I shall add only one word in support of the hon. member for Charlevoix-

Saguenay (Mr. Dorion) and the hon. member for Lake St. John-Roberval (Mr. Dion). I have already expressed my views on divorce during the last session. I believe that all hon. members in this house should leave no stone unturned to prevent this undesirable increase in the number of divorces in Canada.

(Text):

Motion agreed to on division and bills read the second time.

BRITISH COLUMBIA TELEPHONE COMPANY

On the order:

Second reading of Bill No. 59 (Letter G of the senate) intituled: "An act respecting British Columbia Telephone Company."—Mr. Reid.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, would the sponsor of the bill this evening explain it to the house? This bill originated in the other place, and when it was read in this chamber for the first time there was, of course, no explanation. Unless the sponsor this evening is prepared to give an explanation of it, I think the bill had better be left over until the hon. member for New Westminster, whose name is on the bill, is present.

Mr. W. H. GOLDING (Huron-Perth): In view of the fact that the hon. member for New Westminster is absent at the present time, and I know that he is familiar with all the features of the bill, I would suggest that the bill stand.

Mr. DEPUTY SPEAKER: Stands.

SECOND READINGS

Bill No. 73, respecting the Toronto, Hamilton and Buffalo Railway Company.—Mr. Cleaver.

Bill No. 106, to incorporate Quebec North Shore and Labrador Railway Company.—Mr. Rinfret.

PENITENTIARY ACT

INSPECTION OF PENAL INSTITUTIONS BY GRAND JURY, ETC.

Mr. T. L. CHURCH (Broadview) moved the second reading of Bill No. 12, to amend the Penitentiary Act, 1939.

He said: Mr. Speaker, the object of this particular bill is to allow the grand jury in each of the provinces to visit these federal institutions twice a year and to make a presentment in the public interest. It is no way to be taken as a criticism of the existing system of official inspection. On the contrary, the object is to assist in the satisfactory administration of these institutions.

In the first clause of the bill there is provision that the grand jury may inspect penitentiaries and make presentment, without cost to the country. It is one of the cardinal principles of magna carta that the people should take a large share in the administration of criminal justice. These institutions, whether they are rightly or wrongly managed, are managed by crown officials; and to carry out the principles of magna carta it is available to have the grand jury go into these institutions. At the present time what is the inspection? There is no inspection at all except by crown officers, some of whom have had no training for the work. They learn only by experience.

In the next place, there are many complaints. We seem to have made no progress in this work over the last thirty or forty years. Men are shut up in small cells or in cages against all the known laws of public hygiene. Some of these provincial gaols and prisons in the cities and towns of Ontario and in other parts of the country were built before confederation against all the known laws of public or private hygiene and public health, and the result of that can be seen. In another case the jury visited an institution in one of the cities in Ontario and found some men who had been quite sane incarcerated in an asylum. How are the public to know? The cost of these institutions is going up by leaps and bounds. From the report here the number in these institutions is increasing, especially among those not of age, and it is a serious social and economic problem. I hope that the new minister will see to it that the first clause of this bill is adopted. I remember when the late Chief Justice of Ontario, R. M. Meredith, on circuit for forty years, and an able judge, was addressing the grand jury of the county of York, he suggested that it would be in the public interest that in each of the cities or towns of a province the jury should be allowed to go into these federal institutions twice a year, and he said he was anxious to remedy some of the crooked paths in the administration of justice.

The next clause of the bill relates to a matter which has been recommended, I think, to the Department of Justice, especially in important cases, namely, permitting the visiting, under escort, by prisoners to dying relatives.

The third clause relating to offenders under the age of nineteen is one of the matters which should be taken up immediately by the provinces and the Borstal system adopted at once.

There are one or two others who are to speak on this bill. I do not see the minister present at this time, but I do not like to move

the adjournment of the debate. The habit has been, when the bill has been reached in other sessions, there is no minister present. I hope that the minister will be here. I should like to have the opinion of the Minister of Justice (Mr. Ilsley) on it. He was here a minute ago. I do not wish to lose my priority because I believe this is a matter that should be looked into. It is really too bad that we have no time here to devote to a serious problem like this, when we can spend forty-four days on purely material things, and not have five minutes for human rights and remedies.

I should like to mention the board of visitors. How many members of the House of Commons have seen one of these institutions? I have not for years. Have you, Mr. Speaker? I am told that certain people are appointed to visit the institutions but never visit them. The official board might just as well be abolished. What I suggest is that after we reassemble, there should be a visit to two or three of those institutions near Ottawa by a committee of the House of Commons. It just illustrates the necessity of having a legal committee which would go into these matters. I venture to say that if the high court of parliament knew what was going on in some of these institutions, there would be a revolution. We are spending a lot of money on these institutions. There is one sign which should be put up over the door, while we do nothing about the matter, namely, "Abandon hope all ye who enter here."

We discuss the price of wheat and many other material things sometimes for days, and when I first came here such discussions went on for weeks, but we do not seem to have five minutes to devote to these questions of human rights. I am very sorry the Minister of Justice (Mr. Ilsley) is not here. He was in his seat a moment ago, and there is no reason why he should not have waited to hear the discussion.

If no other hon. members wish to speak I should like to move the adjournment of the debate, but I am afraid that under the rules I could not speak again when the minister is here, and I do not want to go to the foot of the list.

Mr. DEPUTY SPEAKER: I understand that when the order is called the next time the hon. member will be permitted to continue his speech, but that the total time allotted to him will not exceed forty minutes.

On motion of Mr. Church the debate was adjourned.

Mr. DEPUTY SPEAKER: The business under private and public bills having been disposed of the house will revert to the business under consideration at six o'clock.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed consideration of the motion of Right Hon. Mr. Ilsley for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited time during the national emergency arising out of the war.

Mr. MacINNIS: This afternoon, speaking in this debate, the hon. member for Eglinton (Mr. Fleming) stated that it was difficult if not impossible to find the principle in this bill. I do not think the principle is hard to find. That principle is to extend for a limited time certain controls now exercised under orders in council. As I said before the dinner recess, that is the principle now; but if the government continues to do away with existing controls, both the controls and the principle of the bill will have disappeared by the time it has reached third reading.

To my mind, however, there is another principle in this bill, that is, that we should try and deal as fairly with our people in time of peace as we did in time of war. There is not the slightest doubt that these controls, instituted in war time, in a time of emergency, were of tremendous advantage to the people of Canada. I do not think anyone in this chamber is anxious to maintain controls merely for the sake of control. We all object to interference with our freedom. I do; indeed, if there is anyone who likes to have his own way more than I do, I should like to meet him.

Mr. JACKMAN: Some people like to be controllers.

Mr. MacINNIS: I am not so sure that is the case. In any event, speaking for myself, I have no desire to be either controlled or a controller. But order and regulation is the penalty we pay for community living; and the more complex our social order becomes, the more necessary order and regulation will become. As I said, the control orders attached to the measure before us were made necessary by the emergency of war, and they served a useful purpose. The question we have to decide today is: is the emergency over, and has the time arrived when we can throw all our controls into the limbo of dead and forgotten things? As was stated by the leader of this party when speaking on this

measure during the resolution stage, though the fighting stage of the emergency is over, we do not believe that the disruption of the world economy caused by the war has been anything like overcome; and until that disruption is repaired and the economy is restored, we shall continue to be in a state of emergency. Therefore, regardless of what may be said to the contrary, and what sneers and slurs may be cast in the direction of this party, we do not hesitate to say, and indeed we proclaim, that if we were back—and it appears that this is where some people would want to bring us—to where we were in September, 1939, certain government controls and certain government planning would still be necessary, and I am satisfied that I can prove that point before I sit down.

In my opinion, those who claim that the need for controls has disappeared fail to take certain things into consideration. They fail to realize the extent of the disruption of the world economy during the war. They fail to realize the sick state of the world at the present time; and, most serious of all, they do not seem to realize how inadequately their so-called private enterprise functioned in the decade before world war II. I was in this house during that decade, the ten years between 1929 and 1939, and every hon. member who has any understanding of that period realizes that during those years we were exercising emergency controls. The Conservative government in office in 1931, brought in a measure known as the Unemployment and Farm Relief Act, which took amazingly wide control; and with very little change that act was enacted each year from 1931 to 1940, when the war rescued us from the mess into which private enterprise had gotten us.

I would suggest to hon. friends to my right, who are so much opposed to controls, that they should read an editorial which appeared in the Ottawa *Journal* of some few weeks back. That editorial was entitled "Storm Clouds Ahead", and dealt with the serious consequences to this country of economic collapse or a long drawn-out recovery in the United Kingdom. It said, in part:

> Britain in her economic illness cannot be quarantined.

And that is equally true of the other countries in Europe.

> If economic woe should befall her, or if recovery from her existing desperate straits should take years, then the repercussions for this country would be hard indeed. What is ahead of us in this. That unless by some miracle which we have no right to expect, unless by some tribute from fate which only fools should expect, Britain should recover quickly and Europe arise from chaos within the next few years, we are heading straight for grave trouble, with our only hope a greatly accelerated trade represented by Canadian exports to the United States.

I maintain that we must take into consideration not only conditions within this country, because conditions within this country alone are not sufficient for our prosperity and our safety as a nation—so I would say that, unless we can disprove the correctness of the diagnosis made by this editorial, then we should hesitate before we eliminate controls and a certain amount of planning from our economy.

Because of my experience during the last fifteen years, I was disturbed when I heard both the Minister of Reconstruction and Supply (Mr. Howe) and the Minister of Justice (Mr. Ilsley) state, earlier in the debate on this measure, that the government's policy is to return as quickly as possible to a free economy. To talk about a free economy at the present time is, in my opinion nonsense. There is no such thing as a free economy today. In other words, what my hon. friends want to return to is the status quo before the war. A darky once was asked what the status quo was, and his reply was, "It is the same damned old mess." When my friends talk about a return to a free economy, that is what they want us to return to, the pre-war mess.

But let me say that that is not what those right hon. gentlemen and their party promised the people of this country during the election campaign of 1945. It was not what we were promised in the first speech from the throne following the return of the government at that election. In the speech from the throne at the first session of the twentieth parliament, I find these words:

> In the building of a new order—

A new order is not a return to a free economy, because that was the old order. And it was a pretty miserable one for a great many people.

> In the building of a new order my ministers are determined to seek above all else the promotion of peace, work and health in domestic and international relations. To further these great objectives the government has received a definite mandate from the people of Canada.

I suggest to the government that, while I do not say the controls we now have are sufficient to bring us into a new social order, I do say that, while the government is preparing its plans, these controls should be maintained; that is, those of them that are necessary.

As I have said, to go back to a free economy is not building a new social order. It is slip-

ping back to the old order—the order of unemployment, the order of low prices, the order of insufficient food and the other evil things which were the lot of hundreds of thousands of men and women who suffered during the depression years, under the so-called achievements of a free economy.

I am going to remind the Minister of Justice of something. In 1935 he was a member of a royal commission which investigated conditions in Canada which had developed through the years, and manifested themselves during the depression. That commission on price spreads issued a report which was signed by W. W. Kennedy, Chairman, and by H. H. Stevens, J. L. Baribeau, Thomas Bell, O. L. Boulanger, A. M. Edwards, Samuel Factor, James L. Ilsley, D. M. Kennedy and Mark Senn.

There are only two of the signers of that report now in the house. Before the Minister of Justice rises to correct me, let me point out that he, along with three other Liberals, dissented from some of the findings. Nevertheless he put his name to the report. I shall read briefly from it to indicate the free economy to which the government is to bring us. At page 5 I find this:

The depression has furthermore demonstrated that the strong and the organized are attaining an ever-increasing position of dominance in our economic life, that economic power is becoming concentrated. With this concentration old theories of economic control are proving inadequate.

I will tell my hon. friends that the concentration they observed in 1935 has made considerable progress in the twelve years since then. And what was bad in 1935, what was oppressing the people then, is much worse in 1947.

Then, turning to page 6 I find this:

Fundamentally the problems which confronted the commission are those of a transitional economy in which simple competition still prevailed in some parts, monopoly had succeeded it in others, and monopolistic or imperfect competition characterized the rest.

There is not much of free economy there. Quoting again from page 9 of the main report:

It is, furthermore, a tragic delusion that the solution for these economic problems can be left to automatic forces—

Automatic forces are the regulators in a free economy; do not let us forget that.

It goes on:

—because the conditions which once permitted the easy and equitable operation of such forces have ceased to exist.

[Mr. MacInnis.]

Then at the bottom of the page I find this:

From 1929 to 1933 farm prices fell 50 per cent but the production of farm crops actually increased 4 per cent. This is "simple competition"—

One would almost say, with simple people taking part in it.

—with flexible prices. On the other hand the prices of agricultural machinery and implements were allowed to fall less than 7 per cent, but their production in number of physical units decreased as much as 91 per cent.

That is the world in which we are living today; only it is much more so now than it was in 1935. What nonsense to talk about going back to a free economy, something that does not exist and has not existed for a good many years!

I have here some of the literature issued by the national Liberal federation during the election campaign of 1945. This particular leaflet was used in the election of the present Minister of National Defence (Mr. Claxton). It is not badly got up. The title on the front in large letters is, "Building a new social order in Canada". That was in 1945. Now in 1947 we are going back to a free economy. I find in this leaflet several quotations from the present Prime Minister (Mr. Mackenzie King). Here is one:

. . . we intend to see that the new order expresses a new social concept altogether of industry as being in the nature of social service and the obligations and rewards that grow out of that conception.

Is there any suggestion by my hon. friends opposite that today we are planning to make industry a social service? No. Industry today is just as much a profit-making cut-throat system in so far as it is competitive, and an exploiting system as it ever was.

Here is another election leaflet which was used in the election of the Minister of Labour (Mr. Mitchell). It has the same title; only in this case it is at the bottom of the page instead of at the top. Whether that signifies anything I do not know. The title again is, "Building a new social order in Canada". On the back page I find more quotations from the Prime Minister. Here is one:

Next to the fear of war the greatest fear today to most men is the fear of unemployment. It is one of the bitter ironies of our time that full employment has been achieved only as the result of war.

When I have mentioned that in this house I have heard groans. But the statement is correct. We have had two periods of full employment in this country in my time, and in both of those periods we were at war. The quotation continues:

Men everywhere are asking the question: Why, if there is no lack of work in war time, is work not to be had at a time when men, instead of devoting themselves to the work of destruction, might enjoy the fruits of their labour?

I believe the war is teaching us that the obstacles to full employment were not real obstacles; that a partnership of management, of workers and of the community can make useful work available in time of peace no less than in time of war for all who need or want to work.

Mr. SMITH (Calgary West): Is that all the one quotation?

Mr. MacINNIS: Yes, it is a complete excerpt. I, too, at one time thought the war would teach us something, but looking at what is happening in this house today I fear that the war has not taught us anything. I fear that we are intent on going back to those conditions which left such tragic results in their wake in the ten years before the war.

The Minister of Justice (Mr. Ilsley), in replying to criticism of this bill, did not take much time with the point of view of this party. As a matter of fact I think he put it all in one short sentence, when he said, I think on Thursday last:

The trouble with the C.C.F.'s position is that it seems to assume that controls will be possible indefinitely under our constitution.

The C.C.F. does not assume anything of the kind. The C.C.F. realizes that controls are not made just for the Dominion of Canada but that the controls have benefited the provinces as well as the people of the dominion, for, of course, they are the same people. There may have been cases, but I have not heard of any province asking this government to relinquish its price control policy. There may have been such requests from the provinces, and if there have been they have not come to my attention. We believe that, with proper cooperation between the dominion and the provinces, a policy will have to be worked out so that the people can in peace as well as in war, provide themselves with the good things of life. But there is no hope at all that that can be done under a free economy.

I should like to quote a news item that appeared in the *Christian Science Monitor* of March 18, 1947:

Edwin G. Nourse, chairman of the federal economic council, said yesterday the removal of wartime controls alone cannot restore sound relationship of wages, prices and profits in this day of big corporations, banks and labour unions.

I think that is quite true. Today we have not small economic units competing with each other in the economic field and having approximately equal strength. Instead, we have large aggregations of economic power, economic power both in industry itself and in labour unions. I continue the quotation:

"Under these conditions of business organization, the process is not one of impersonal competitive market or system of markets," he said in an address for the controllers institute of America.

"Over large areas of the economy, prices and the course of business are determined by highly personalized administrative decisions made by officials of business organizations and affecting large blocks of capital resources or labour resources. I think it is quite clear to everyone that the decisons of these responsible executives have not, since V-J day, mutually added up to anything like a workable solution of the nation's business problems in terms of well sustained production and the prosperity that goes with it."

I think that is the experience in Canada. I do not think anyone can say that business organizations in Canada are working up to anything that will add up to a long continued period of steady employment and full production. Indeed, everyone you talk to is expecting a depression, some within six months, some within a year, some within two years. All are expecting a depression under our present system.

I am now going to show what happens when controls are removed. On May 1, 1946, the wartime prices and trade board suspended its allocation and price control on newsprint in the Canadian market. I am told that the decontrol took place after discussion with the newsprint manufacturers and publishers. Under the agreement or understanding arrived at existing Canadian customers were to receive not less than the individual quotas established on January 1, 1946, which was about seven per cent of the total Canadian production, or approximately 17,500 tons out of 247,500 tons. No provisions were made to supply new customers. I am told that a cooperative publishing company in a Canadian city, which has upwards of ten thousand members and wants to get newsprint to start publishing a paper, cannot get it, although Canada is exporting a great deal, as a matter of fact, exporting all we produce except about seven per cent.

In my own city of Vancouver there are an estimated ten thousand citizens who cannot buy the paper of their choice because the publishers of that paper cannot buy the newsprint to supply their demand, and yet there is plenty of newsprint even in Vancouver. The president of the Sun Publishing Company Limited, Vancouver, British Columbia, in the annual report of his company had the following to say in regard to newsprint:

The newsprint shortage is our greatest problem. The present concrete demand for unsolicited *Sun* subscriptions is estimated at 10,000.

We increased the daily press run by degrees until the end of August when it was frozen at an average net sale of 125,000.

Seeking information on this subject, I put four questions re newsprint on the order paper. I shall read the last two. They are as follows:

Has a request been received from the Vancouver *Sun* at Vancouver, British Columbia, for an increase in its quota because of increased circulation? If so, what action has been taken?

The parliamentary assistant to the Minister of Finance answered them as follows:

Requests have been received from the Vancouver *Sun* for an increase in supply but since newsprint is no longer allocated, no action has been taken. The Vancouver *Sun* has been told that the matter is entirely between themselves and the newsprint manufacturers.

As far as newsprint is concerned, we eliminated the bureaucrats at the wartime prices and trade board, but that did not eliminate the bureaucrats. I am told now that those who want more newsprint do not approach the government or a member of parliament; they go to Chicago and there they talk to people who are not even Canadian citizens.

Let us see what happened to the price. In 1938 the price of newsprint in Canada was $44 a ton. The current price in Montreal and Toronto—at least a few days ago; it may have gone up since—is $80 a ton. I hold in my hand a news item from the Toronto *Star* which says:

Newsprint companies operating in Canada have reported startling increases in the net profits for 1946. Of twenty-one companies listed eleven increased their net profits from 100 to 265 per cent over 1945.

The article went on to say that the outlook for 1947 is substantially better than it was for 1946. That is going back to free enterprise with a vengeance!

Here is another article from the Ottawa *Journal* of March 26, dated Washington. It is a report by Senator Lister Hill of a statement made to him by the assistant attorney-general of the United States, and reading as follows:

"For the past several months we have been investigating complaints of a conspiracy among newsprint manufacturers operating in Canada to restrain trade into the United States. These manufacturers, including subsidiaries of American firms, supply approximately eighty per cent of the United States newsprint demand.

"The complaints have alleged that this conspiracy restricts production, fixes prices on exports to the United States and allocates the available supplies to favoured newspaper publishers. The federal bureau of investigation has been conducting the investigation to date, but we expect in the near future to proceed further by means of grand jury subpoenas."

[Mr. MacInnis.]

Hill said that "monopolistic practices of the newsprint industry are forcing small publishers to the wall," and that he was pressing for thorough and vigorous investigation by the anti-trust division. "If there are violations of the anti-trust laws," he continued, "there should be immediate prosecutions."

This is the general picture of our so-called free economy. All that this adds up to is that in removing newsprint from the control of the so-called bureaucrats of the wartime prices and trade board, who at least exercised control in the interests of the Canadian people, we have handed over controls to other bureaucrats who are controlling newsprint, not for the benefit of the Canadian people, but for the benefit of a few people most of whom do not live in Canada and are not even Canadian citizens.

My hon. friends to the right and to the left asked for the removal of controls, and in asking for that the wildest statements have been made. For instance, on March 21, as reported at page 1606 of *Hansard*, the hon. member for Peace River (Mr. Low) said:

Surely every straight-thinking Canadian can see that it is the high taxation, the centralized state controls . . . the regimentations introduced under war conditions that have landed Great Britain, the United States and Canada into the mess in which we are floundering today. I do not think there can be any question about that at all. If we continue to adopt that policy, surely it can lead only to disaster and dictatorship.

The conditions may not be just what we would like them to be in Canada, and they are certainly not what the people would like them to be in Great Britain and perhaps not in the United States; but as a matter of fact, compared with the time when we had no controls at all, conditions in this country are prosperous. And even in the British isles, their living conditions, taking the population as a whole, are better than they were prior to the war. The proof of that is the fact that their infant mortality for 1946 is the lowest it has ever been in the history of that country.

An hon. MEMBER: So is the birthrate.

Mr. MacINNIS: As a matter of fact, that is just where the hon. member is wrong. The birthrate is the highest since 1922.

An hon. MEMBER: Give us the figures.

Mr. MacINNIS: I believe the figure for infant mortality was 43 per 1,000 live births and the birthrate, about 19·1 per 1,000 of population.

Mr. MARTIN: For 1946.

Mr. MacINNIS: And it is so because, through controls, it is the business of the

government, the business of the country, to see that food goes where it is needed and not where there is the largest purse. It is quite true that the large purse can still even today get a larger share, but with the controls that are provided there is a better and more equitable distribution of the national income in Great Britain today than ever before, with the possible exception of the war period.

I would suggest to the house, to the opposition as well as to the government, that if we are to avoid what this country went through between 1930 and 1939 we shall not avoid it by a return to a free economy. We can avoid it only by learning the lessons of those terrible years and applying them in an orderly and democratic fashion.

Mr. VICTOR QUELCH (Acadia): During the resolution stage of this measure I listened to a number of members rivalling each other in an attempt to attach this or that name to this bill. I was reminded of the fact that a rose by any other name would smell just as sweet, and therefore I think that in dealing with this measure one must deal with it entirely on its merits. So far as I am concerned, I am not interested in what names certain people may attach to it.

Some hon. members have blamed the government for conditions being such that it is necessary to continue certain measures of control today. The important point to keep in mind is that we have to face the facts as they are. We have to face conditions as they are today. It is not a question that conditions should be better or that certain action should have been taken to make conditions different. The point is that certain conditions exist today requiring the continuation of certain measures.

I would agree with some of the criticism made by some hon. members, that these conditions should have been different by now. Some of that criticism was justified. Nevertheless we have to face the conditions as they are and not as they should or might have been. Therefore, if the minister can prove to our satisfaction in the committee stage that all these measures are necessary I shall have no hesitation in supporting the bill.

The hon. member for Vancouver East (Mr. MacInnis) suggested that we in this group are opposed to all controls. At no time has this group taken the stand that we are opposed to all controls; but we are not in favour of controls for the sake of controls, and the speech delivered by the hon. member for Peace River (Mr. Low), and quoted by the hon. member for Vancouver East, certainly did not indicate opposition to all controls. The hon. member for Peace River was criticizing certain controls that were being maintained.

We realize that unless you curb the abuse of capitalism you will have jungle law, the survival of the fittest, the dog-eat-dog system, and we are not for one minute advocating that we go back to that type of system in this country. The alternatives that face us today are capitalism controlled in the interests of the people—and we in this group believe that the social credit system is the way in which capitalism may be controlled—and communism on the other hand. In the final analysis, we do not believe that there is any alternative to these two things because the people will never again agree to return to the laissez-faire form of capitalism. That might have been regarded as the alternative years ago, but that day has gone by.

When the hon. member for Cariboo (Mr. Irvine) spoke on the resolution stage he chided the farmers of western Canada for directing their wrath against the former Minister of Finance (Mr. Ilsley) rather than against certain corporations. Speaking as a farmer, I think the hon. member for Cariboo entirely missed the grounds upon which the farmers are complaining. It is the result of the culmination of a number of things that have happened of recent years, and it is necessary to go back to the thirties to see why the farmers are feeling so critical of the government's policy today.

In the thirties agricultural prices fell to a very low level. At that time we did not hear any propaganda by consumers that prices of products should be increased so as to give the farmers a fair return. The consumers were apparently quite glad to be able to buy goods at very low prices, even though it might mean the bankruptcy of agriculture, and whenever agriculture demanded higher prices they were told that the government could do nothing about the matter because this was an international situation. They were told that they would have to be willing to accept world market prices, and while it is true that from 1935 to 1939 certain modified controls were put into force, they were not effective in dealing with that situation.

After a few years of war, prices rose and then ceilings were placed upon prices to prevent the farmer from getting the full benefit of world market prices. Unfortunately, during the time that farmers had been obliged to produce at low prices, they had been forced heavily into debt, and the only way they could possibly pay their debts was by receiving for

their products prices that would return them, not merely cost of production and a fair remuneration, but a fairly high profit. That is the only way that debts can be paid, debts of the size of those accumulated during the years of depression. Unfortunately, just about the time the government allowed prices to rise on agricultural products they also imposed very heavy taxation, with the result that when the farmers started to pay off or to try to pay off those debts, they found that the debts had increased by reason of the fact that they were called upon to pay income tax around thirty or forty per cent, and that made it that much more difficult for them to pay off the debts they had incurred. To a large extent those debts represented unpaid expenditures and therefore I thing the government would have been justified in eliminating all taxation on the repayment of those debts which had been incurred prior to 1942 because, as I say, they to a large extent represented unpaid expenditures and we do not tax expenditures.

Then today, of course, farmers are having difficulty in meeting their taxes and are being handled in quite a rough manner by some of the income tax inspectors. It is only natural that they should be feeling critical of the government. That is why today you hear the common expression, "I am not going to milk cows for Ilsley", or "I am not going to slop pigs for Mr. Ilsley". As I say, that is the result of the culmination of a number of things. It is not just because the farmers are required to pay high taxes today. I think they are fully justified in that attitude. I am not saying they are justified in attacking the former Minister of Finance, but I say they are justified in criticizing the past policies of the government in regard to agriculture.

Our main opposition to many of the present controls is that, by their very nature, they become self-perpetuating. We are told that they are required in order to deal with conditions resulting out of the war; that is, to a large extent to deal with shortages of consumer goods. But, unfortunately, many of these controls help to restrict production and thereby delay the day when they will no longer be needed. We believe that it would be advisable to remove all controls which have any tendency whatsoever to restrict production and which result in a reduction of goods for distribution in Canada because of higher prices in the export market.

We hear a great deal today about the need for keeping prices of goods down. I would say to the minister that it is of very little help to an individual to keep the price of an article down if, as a result of that action, you make it impossible for the individual to buy the article. So I would say that there can be no compensation for a loss in production. A loss in current production is a total loss; and, no matter how much you may increase your production in the future, you can never make up for a loss of production today. If prices are being held down at the cost of production, then I would say that the cost is too great. I think you need only go to an auction sale today to see the truth of that statement. What do you find when you go to an auction sale? Are people refusing to buy goods at the sale because the price is too high? No. They will bid against each other, and they will buy at a higher price than that paid for the article when it was new. That is the condition to be found at farm sales. You will find that a farmer will pay more for a second-hand piece of machinery than that piece of machinery will cost on the market new, for the simple reason that he is so greatly in need of that machine that he is willing to pay whatever price is necessary in order to get it. That is why I say that the government is not justified in keeping prices down on any article if, as a result of that action, it curtails the production of it.

During the war, emergency powers were necessary; and I think the government will agree that the people of this country conscientiously supported the controls passed under those powers. They did so because they recognized that those controls were essential for a maximum war effort. But when hon. members go on to say that, just because we had controls in war, we should have similar controls in peace, then I disagree; because the situation is entirely different in peace time. In war time, somewhere in the neighbourhood of fifty per cent of the production had to be drained away from the channels of consumption and used for war purposes, with the result that there was tremendous pressure on prices. Today the situation is entirely different. Today we should be encouraging maximum production in order to give the Canadian people the highest standard of living that the country can supply, not for the purpose of maintaining a maximum war effort. To my mind, the people of this country are not willing to barter their freedom for a mess of pottage, or for so-called security.

In the past the people have always been willing to defend their freedom, no matter what the cost might be. I recall that Hitler promised the world one thousand years of peace, but we preferred to go to war rather than be made the slaves of nazism. The people of this country have no love for regimentation.

During the war it was necessary to safeguard a fair distribution of a limited amount of production. In the future the total production of the country will be available to satisfy the needs of the people, less whatever contribution we decide to make to the war-stricken areas of Europe. However I think we must be on the watch to see that those contributions do not endanger the efficiency of our productive plant; that is to say, we want to be careful that we do not ship so many goods abroad that we reduce the standard of living in this country and cause discontent which, in turn, could very well reduce our productive efficiency. If the workers become discontented, production is bound to fall; and if your production falls, you will not be able to make as great a contribution to the war-stricken areas as you would if you maintained your production at a high level.

The government's policy of price and wage control is undermined by the fact that the people resent these controls in peace time, and the government should lose no time in removing them as soon as possible. I believe that, generally speaking, the government is removing them as fast as it considers they can be removed. I am not criticizing the government on the ground that it is not removing controls fast enough. There are some controls which it will be necessary to keep in operation and which, in my opinion, should be kept in operation permanently. In that category I place the foreign exchange control board. But there are other controls which unnecessarily interfere with the freedom of the people and which should be removed.

The government emphasized that, in order to prevent inflation, it is necessary to maintain a certain degree of price control; but it seems to me that the policies of the government are to a certain extent creating inflation in this country today and will likely lead to a depression in the near future if that policy is not changed quickly; that is, by discouraging production through price control and by confiscatory taxation discontent is being caused amongst the workers—the farmers and labour—causing a slow-down in production and causing strikes; and then again it is further discouraging production by the over-export of consumer goods abroad. I think our peacetime policy must aim at giving the people the highest standard of living that the country is capable of producing. In order to assure high production, we must assure a steady demand for it by the people; and in order to assure this, we must take steps to maintain the purchasing power of the people at a level sufficiently high to buy the total production of the country and the imports brought into the country in return for our exports.

I think the various control measures proposed must be viewed in the light of that situation. Our policy must be such as to encourage the full development of the resources of the country and to maintain effective demand against them by the people. One may well ask: Does the government policy of price control tend toward the full development of the resources of the country? I think in many ways it has had the opposite effect. Labour has demanded higher wages. Industry has insisted that if higher wages are paid, higher prices must be paid. Then, when higher prices are charged, the purchasing power of the consumer has been reduced, and you go round and round in that vicious cycle. However we believe that is a solution to that difficulty. In order to expand our production, we believe that it will be necessary to remove price ceilings so that the full cost of production may be recovered out of prices. Then, in order to assure that the people's purchasing power will not be reduced by an increase in prices, the price to the consumer should be adjusted so that the price of goods to the consumer will bear the same relationship to their financial cost as the total national consumption bears to the total national production. In this way prices would be regulated by the actions of the people themselves, instead of in an arbitrary fashion by some board of directors.

I referred to this matter during the debate on the speech from the throne. If, for example, demand was only eighty per cent of supply, then a discount of twenty per cent could be allowed. The retailer would discount the prices of his goods by twenty per cent and would be reimbursed by the state, so that he would not suffer any loss. The question is often asked, what is there to prevent a producer from raising prices sky-high before the discount is applied? I would agree that competition alone is not sufficient to maintain prices at a fair level. Therefore there would be a danger that producers might raise their prices too high. But under our proposals, to obtain the discount business concerns would have to register with the government and agree to maintain their profits at a fair level based upon their turnover. If any industry refused to work on that basis or refused to maintain profits at a fair level, they would not get their discount, and as a result those firms which did cooperate with the government by maintaining profits at a fair level would be able to undersell those who did not, by the amount of the discount, so that in that way industries would be forced to maintain their profits at

a fair level or be undercut by those who did so.

That type of control would not be subject to the whim of a bureaucrat, but would be the result of a scientific formula; and with such a policy, since industry recovers cost out of prices, adjustments could be made in wages when they were out of line. If an increase in price occurred and this reduced effective demand, an increase in the price discount would restore the balance between demand and supply. The result would be a steady expansion in production with prices actually reduced to the consumer, and in a short time prices of most products of secondary industry would find their own level.

The Minister of Justice (Mr. Ilsley) stated that during the war subsidies were maintained because it was considered that the saving to the consumer would be greater than the cost in taxation, in view of the fact that they prevented a spiral of inflation. The minister has stated also that in peace time, if the cost in taxation was as great as the saving to the consumer, then the payment of a subsidy might no longer be justified except in so far as it would help bring about a fairer distribution of the income. It seems to me that the important point to keep in mind in future, then, is this. If in peace time the saving to the consumer through the payment of a subsidy would not be any greater than the cost in taxation, you would not be able to finance your subsidy by taxation if you were trying to increase the purchasing power of the consumer. For example, if the situation develops in a short time that we are warned by Mr. Graham Towers, in his 1946 report, may very well develop, that is a lack of effective demand, and if we considered that in order to increase the purchasing power of the people so that we might maintain an effective demand against the production of the country we should pay the consumer a subsidy, then obviously that subsidy would have to be financed by other means than taxation because, as the minister has pointed out, the cost in taxation might very well be as great as the saving made by the subsidy. Therefore we suggest that if subsidies are paid in future they will have to be financed by debt-free money issued by the state. In order to do that, of course, first you would have to establish effective control over the issue of currency and credit in order to prevent such an issue of money from creating inflation because, as the Minister of Finance has suggested on several occasions in this house, if we issue debt-free money there is the danger of inflationary action on the part of the chartered banks. Therefore I suggest that that is another control measure we shall have to maintain in peace time; that is, effective control of the issue of currency and credit so that the government could issue national money without any danger of the chartered banks expanding loans at the rate of ten to one on the money so issued.

While it is true that secondary industries set their prices at a level at which they will recover their costs of production, that is not true of the primary industries, which have never been in the position where they were able to set their own prices in order to recover the cost of production. That is why today the primary industries are advocating marketing legislation which will make it possible for them to control their own prices. However, that goal has not been reached, and at the present time they are still at the mercy of whatever prices may be established by world markets or by the government on behalf of the producers. Therefore, in the future, certain controls will have to be maintained which will make it possible for farmers to obtain prices which will enable them to meet their costs of production and obtain a fair profit for the work they have done. I mention that fact because I have heard hon. members to our right say, "If you are against controls in regard to secondary industries, then you must also be opposed to controls in regard to primary industries." I would point out that primary and secondary industries are on entirely different bases. Secondary industries have control of their prices, but primary industries have not.

The Minister of Justice warns of the danger of inflation if price control is lifted. I would point out that we already have a degree of inflation, and I think the minister admits that in all probability prices in this country will have to rise in future because, generally speaking, prices throughout the world are higher than in Canada. If we try to maintain prices in Canada at a lower level than in the rest of the world, what we are actually doing is subsidizing the other nations of the world, and I cannot see any justification for the people of Canada having to subsidize the rest of the world. The minister keeps referring to the price level in the United States. I am glad he clarified that point today. I have always understood him to say that the price level in the United States was so much higher than the price level in Canada, but apparently what he really meant to say was that the increase in the price level in the United States during the war was much greater than the increase in Canada. I think he will admit that in many lines the price level in the United States is actually lower than in Canada. I was in that

country during December and January, just before coming here for this session; and while we found that prices of most agricultural products and many foods were quite a bit higher than prices in Canada, on the other hand we found that prices in many lines were considerably lower than in Canada.

Mr. ILSLEY: That was more so before the war, was it not?

Mr. QUELCH: Yes; unquestionably it was more so before the war. Their prices have risen, but, even so, prices in many lines in the United States are still considerably less than in Canada. Take tires, radios, electrical supplies, cigarettes, gasoline, cottons, shoes and many other commodities, we found we could get them far cheaper there than here. The net result is that, as far as agriculture is concerned, in the United States the farmer is considerably better off than the farmer in Canada, because he is getting prices for his products considerably greater than prices the farmer in this country is receiving, and he is able to buy the things he wants at considerably less than the prices in Canada. So that the farmer in the United States is twice better off than the farmer in this country; he gets higher prices for his products and buys his goods at lower prices. Therefore I doubt very much if there is as big a danger of prices rising as some people seem to think, if price controls are lifted. The Minister of Finance (Mr. Abbott) apparently thinks that himself, because price controls are gradually being taken off. It is true there may be an immediate rise, but just as quickly as production can expand to its full level, those prices, generally speaking, will fall.

As I said before, curtailed production cannot be justified on the ground that prices are being kept down, because then the cost is too great. It would be far better to have a slightly increased price, if in so doing we can have greater production; because with the production increased, the pressure on the price levels will decrease, and the price will fall.

Of course I agree there are certain concerns which will not reduce their prices. I pointed out that under social credit we would take action against them, by paying the discount only to those which did reduce prices. Those concerns which cooperated would get the subsidy and therefore be able to undersell those that refused to.

If we want private enterprise and initiative to succeed and to expand, we have to do everything in our power to encourage it, rather than to strangle it. The minister has said in the past that in Canada we lack venture capital. I would say that one of the reasons we lack venture capital is that we are continually urging people to invest their money in bonds. If it were not so easy for them to invest in bonds, that is gilt-edged securities, they would be a little more venturesome in investing their money in industry, where it should be invested. And if they were to invest their money in industry it would not be necessary for us to get capital from the United States, thereby placing the country further in debt.

In closing, may I say that we will support any controls the minister can prove to our satisfaction are necessary for the well-being of the people of Canada. But we definitely refuse to support any controls which we consider restrict production, or which may reduce the consumption of goods in Canada which may be made available in abundance.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I have only a few words to say in speaking on the motion for second reading of the bill, the purpose of which is to extend the period during which a return to a normal economy can be accomplished.

I shall speak with particular reference to the list of commodities the decontrol of which was announced this afternoon. It was suggested by the hon. member for Vancouver East (Mr. MacInnis) that the list was confined to consumer products—which is largely true. But he also suggested that its effect would be to remove protection from the buyer, but to continue protection for the manufacturer. That, I suggest, is an entire misconception of the pattern of decontrol. The reason the articles named were included in the list announced today was that it is the belief of those responsible for price control in this country that the removal of those articles from control would not materially increase the price of the articles—with one proviso, and that is that prices of the raw materials entering into those products will remain reasonably stable.

As I remember it, the list decontrolled boots and shoes, but continued the control on hides and leather. The production of boots and shoes has reached a point where those commodities are no longer in short supply. There is no reason visible to those responsible for price control as to why, assuming a stable value for the hides and leather entering into their production, there should be an increase in price in the finished product.

In respect of automobiles, efficiency of production has reached a point where one manufacturer has reduced the price of the finished article below the ceiling. It is expected that other manufacturers will be in a similar position. That being so, there seems to be no purpose in continuing the ceiling on automobiles.

Then, we had to recognize the situation in respect of used automobiles. The fact of the matter is that the black market in used automobiles has grown to an extent where it is probable that more second-hand automobiles are reaching the public through the black market than through legitimate channels. Therefore we believe that the effect, on the public, of removing the ceiling on used automobiles, will not in general require the public to pay a higher price.

Wool and wool products were mentioned. The world price of wool is stable today, and has been for some months. Wool supplies are adequate for all requirements. Pressure for woollen goods is not such as should lead to any material price increase in that commodity.

Following this general pattern, the wartime prices and trade board have from time to time removed a considerable number of articles from the list of controlled items, with every expectation that their removal will not affect the price level in this country. It should be remembered that, assuming that this bill passes, the power of control has not been lost. If for any reason prices are forced up to a level which cannot be justified, then price control can be reestablished. But it is also notable that of all the considerable number of articles subjected to decontrol since the process of decontrol was undertaken, to date it has not been found necessary to reimpose controls on any of those articles.

Mr. ILSLEY: There is one exception.

Mr. ABBOTT: Jute bags.

Mr. HOWE: I am told that jute bags is one exception. They were decontrolled; but later the price advanced to a point where control had to be reimposed.

One of the commodities decontrolled by today's list was coal. Coal is in a special category. During the period of the war the government controlled the price of coal; in fact, the coal control was the first control to be imposed shortly after the outbreak of war. Coal prices have been controlled, while production has been stimulated by subsidies. It was felt that during the period of the war the need for coal in Canada was such that the country could not afford to permit any source of coal to go out of production. The result was that higher cost mines, or less efficient mines, were subsidized so that they could produce at a price that could properly be allowed to the high-grade low-cost mines.

Over the years a system of subsidies in the coal industry has been built up, which has more or less levelled out the value of good mines as against poor mines, and of efficient operation as against inefficient operation.

About two years ago parliament appointed a coal commission, consisting of a member nominated by the operators, a second member nominated by labour and a chairman chosen from the judiciary of this country. That commission spent nearly two years in investigating the coal situation and presented a voluminous report recommending ways and means of handling the industry in post-war years. The commissioners were unanimous that production subsidies should be suspended without delay, and the action taken today implements that recommendation of the commission. The Cape Breton situation was recognized by the commissioners as a special problem. Two of the commissioners recommended that, instead of an abrupt cessation of production subsidies in the Cape Breton field, there be a tapering off of production subsidies to give time for readjustments in the industry. The announcement today ended production subsidies in the Cape Breton area as well as in all other parts of Canada. But I should like it understood that the government is willing to reexamine the needs of the production of coal in the Cape Breton area and to reintroduce subsidies in that area, provided that there can be a settlement of the present labour dispute on a basis that promises that the industry will ultimately be restored to a healthy condition.

The hon. member for Cape Breton South (Mr. Gillis) has objected to the present form of subsidy in that area, which is based on a guarantee against loss to the producing company. That, of course, is wholly inappropriate at the present moment when no production is being obtained in that area, and therefore it is appropriate at this time to suspend the present production subsidies in Cape Breton, as well as in other parts of Canada. But I do want to say that the government is ready at any time to sit down with the union and with the operators and work out a form of subsidy which will permit that section of the country to resume the production of coal on a healthy basis.

The price of coal in western Canada has dropped below the ceiling price in some instances. There have been sales of coal recently at below ceiling prices, and it is

believed that the removal of the subsidy will not have the effect of increasing prices in western Canada.

The eastern situation is too obscure at the moment to be capable of assessment, since the industry is not operating.

So far as coal imported into Canada is concerned, domestic coal has been subsidized for a considerable time, and the removal of the subsidies will cause an increase in the price of imported domestic coal. There again we are facing realities by recognizing the fact that those who are not users of coal should not be called upon to subsidize those who are users of coal.

Mr. COLDWELL: If I may ask a question at that point with regard to the payment of subsidies in Cape Breton, from what date was the subsidy which the company receives as a protection against loss discontinued?

Mr. HOWE: It was discontinued as of March 31.

Mr. COLDWELL: So that for the past two months the company have been getting that subsidy while the strike was on?

Mr. HOWE: That is right, under an agreement which the government undertook to continue until the end of the last fiscal year.

Mr. COLDWELL: That is virtually a payment of its strike losses, is it not?

Mr. HOWE: The result has been that for the last two months. The government, in making the agreement, did not anticipate the strike.

The hon. member for Vancouver East suggested that in its plan to return to a free economy the government has abandoned all its plans for a new social order. That, of course, is wholly untrue. The government has laid the foundations for a new social order and will continue to develop its further plans in that direction as conditions may require from time to time. However, I will not pursue that subject further tonight.

The government has by no means abandoned its stabilization policy. To indicate that its policy has been effective, I would point to the last annual report of the Steel Company of Canada. A diagram in that report shows what has been accomplished in the control of the one raw product that is more basic than any other to production in this country. In December, 1939, the cost of steel can be considered as 100; the cost of labour, 100, and the price level, 100, for purposes of comparison. At the end of December, 1945, the price of the product had risen two per cent; the cost of living in Canada had risen seventeen per cent, and wages in steel had risen thirty-one per cent.

Mr. COLDWELL: Does the report show the increased productivity per man-hour?

Mr. HOWE: No; but that, of course, is the answer. At the end of December, 1946, the price of the product had risen fifteen per cent; the cost of living in Canada had risen twenty-three per cent, and wages in steel had risen fifty-four per cent. Price stabilization has been made effective in that particular unit of the steel industry without resort to subsidy. The result has been achieved by increased efficiency of operation and increased productivity of labour. Price control in steel has contributed a sample that explains why Canada today has a sounder economy than any other country in the world, and why we are better able to compete abroad than is any other country in the world. The basic industries in this country have recognized the necessity of keeping prices in line with value. That, I think, is fundamental to any continuing prosperity. The countries that have lost sight of that relationship, and have let prices get out of line with value, will be the first to suffer when competition becomes the determining factor in prices. I believe that the Canadian economy is founded on a sound level, and that Canada in its decontrol programme is not changing that basic situation.

I should like to remind hon. members that the one and only purpose of this bill is to give the government a reasonable time to accomplish decontrol. I will also remind hon. members that this bill is the only order of government business that has been discussed since this parliament assembled. I would remind hon. members that the businessmen and the taxpayers of this country are anxious to know the kind of tax structure they are working under and the tariff proposals of the government for the current fiscal year. Obviously it will be quite impossible to bring down the budget until this bill has been disposed of.

I would also remind hon. members that the legislation programme of the government is being postponed until this measure is disposed of. Hon. gentlemen seem to think that, after some six years of controls administered by the government it is now necessary for various members of the opposition groups to examine each item of control and give their opinion on whether the government is doing the right thing or not. It seems to me that the government which has had experience over six years in the administration of controls should be capable of deciding the appropriate

time to abandon them. Therefore I would urge that this session be not prolonged by debate that can have no real effect on the situation. In the end, I presume that the extension desired by the government will be granted. I notice that whenever the matter comes to a vote, the men who oppose it most vigorously in debate are glad to vote in support of the measure which is before the house. I have also noted that hon. members of the official opposition who a year ago were demanding the immediate abandonment of all controls have modified their position and are now ready to say that all controls should not be abandoned; nevertheless they are sure that, given unlimited time and unlimited discussion, they can find one or two controls that should be abandoned now instead of a few months hence.

I would earnestly ask a return of sanity in the discussion of this problem, and a shortening of the debate which has contributed and is contributing nothing of value to the economic life of this country.

Mr. HACKETT: Will the minister permit a question?

Mr. HOWE: Yes.

Mr. HACKETT: It was stated that the government had laid the foundation of a new social order. Following that statement, the minister told of the achievement of the Steel Company of Canada. I want to know if there is any association between the foundation of a new social order and the practices which brought about the desired results in the Steel Company of Canada, as the minister mentioned.

Mr. HOWE: No, Mr. Speaker. The fact is I started to develop a subject and decided it was not worth developing at this time, and then I dropped it; but at some time I should like to talk about the progress that has been made on laying the foundation for a new social order. I decided that tonight was not the appropriate time. Perhaps it is something similar to the vote which my hon. friend cast this afternoon.

Mr. HACKETT: It was wholly unintentional and without malice.

Mr. EUGENE MARQUIS (Kamouraska): At the beginning of my remarks I wish to say that actual controls are extraordinary remedies for extraordinary conditions. They cannot be accepted as such in normal peace time. Such legislation may be implemented as a result of the scarcity of commodities caused by an emergency situation. In normal times, controls cannot be maintained by this government on matters pertaining to the jurisdiction of the provinces. Constitutionally the federal government must avoid legislating on subjects under the jurisdiction of the provincial governments unless "the safety of the dominion as a whole" is really concerned, and in such a case there is no infringement on provincial rights, because it is the duty of the dominion government to secure order, peace and good government for the whole country and for each of the provinces as well when there is an emergency arising out of the war. Such is the gist of the judgments of the privy council which may apply to the present bill. The Fort Frances Pulp and Paper Company and the Manitoba *Free Press* case decided in 1923, after world war I, and the Japanese reference, in 1947 after world war II, dealt with questions "which arose by reason of the special circumstances of national emergency, which concerns nothing short of the peace, order and good government of Canada as a whole" as stated by Lord Haldane when rendering judgment in the Fort Frances case. When there is such an emergency the dominion government is in duty bound to legislate so as to ensure the security of the provinces and of the people of the whole country as well. I venture to say that the extraordinary powers given to our government under such circumstances need not be prolonged any longer than is necessary for the stabilization of the economy disrupted by war.

On the other hand, since the provincial governments have no right to legislate for the whole Canadian economy, it seems imperative that some powers should be exercised by the only government which has jurisdiction over these matters of general interest. Consequently, on the constitutional point of view this government has not only the right but the duty to make such laws as will secure economic stability and a normal way of living in the provinces and in the country when there is an emergency arising out of the war.

This bill proposes, for the period of one year only, the continuation of certain controls which were introduced during the war and which seem necessary for the stabilization of our national economy. Its purpose is to fill the gap between war time and peace time. We cannot deal with this legislation as if it were a permanent measure. It is required for urgent and temporary matters only. I am of the opinion that such legislation would be unconstitutional if it were of a permanent nature.

Is it not apparent that we are now struggling with serious post-war difficulties and that a great number of commodities will not be

available for some people unless there were some appropriate way of distributing them? These commodities would be hoarded by the wealthiest people to the prejudice of farmers and working men. It is only by an appropriate legal mechanism that the distribution can be made equitable. Are hon. members of the opposition really anxious to get rid of all the legal provisions adopted in order to take care of the national emergency arising out of the war? We have seen hon. members of the opposition speaking against the resolution but voting to bring it before the committee of the whole. If they were against it, it seems to me that that was the proper time to vote against it. Is it not indubitably clear that the Progressive Conservative party has a twofold view on this problem. Probably the Progressive group favours some controls, while the old Conservative group prefers the controls already exercised by finance and would rather have legislation of that kind defeated. We have only to refer to the Ottawa *Morning Journal,* edition of March 28, 1947:

The resolutions committee of the Progressive Conservative Association of Canada last night gave the final touches to resolutions which will be presented at the annual meeting opening today, and it was learned that a great deal of argument developed among members during a two-day sitting. A resolution on government controls, for instance, is said to have engendered a wide difference of opinion. The old-line Conservatives wanted a resolution which would put the party on record as demanding that all controls be dropped forthwith. The Progressive element favoured a resolution supporting controls on rent, foreign exchange and essential goods. It was also learned that the question of housing caused a temporary split, with some desiring houses for medium income people and others wanting the government to keep out of housing altogether.

Mr. FLEMING: That is just newspaper conjecture.

Mr. MARQUIS: It is a good Conservative newspaper. It is obvious that the party has no control over the newspaper, and it is also obvious that the division of opinion among hon. members brought to an end the three-day filibuster against the government's present legislation. But before closing the debate on the resolution, the hon. member for Stanstead (Mr. Hackett), in an atomic outburst of eloquence, challenged the rural representatives of the province of Quebec to stand up and declare that their people favour controls.

Conscious that this electoral appeal could not improve the conditions of the farmers and labourers of Canada, I did not hesitate to answer that the farmers and workingmen of my constituency were ready to accept those controls which are necessary to protect them against the abuses of capitalists.

Mr. Speaker, I was born and brought up and I worked on a farm. I remember too well those years when the farmers were obliged to accept ridiculous prices for their products and the working men received famine wages, and during that period of time there was no such scarcity of commodities as at the present time. When I was elected as a member of this house I pledged myself to advocate any sound policy which would put the farmers and the labourers of my country on the same level as any other classes with respect to prices and the distribution of commodities.

In the present emergency period, if there were no legislation to guarantee fair prices for farm products and to prevent the disproportionate price increase of manufactured products, the farmers would again have to suffer from the discrepancy between their sales and their purchases. Under the circumstances is it not the duty of the government to secure for Canadian citizens an equitable distribution of essential commodities, the scarcity of which is well recognized? In fact, no control has to be maintained on those commodities available in the country and the whole world.

When dealing with this point we have to consider some commodities such as sugar, which is apportioned through an international allocation committee, so that the quantity of sugar allotted to this country in 1947 amounts to ninety-three pounds per capita, which is supposed to take care of the industrial and domestic needs of the people. In order that each family shall get its share, it is necessary that a just and fair distribution should be made. If such allotments were not made, what would happen? A few wealthy and powerful firms would immediately buy the whole quantity of sugar and themselves determine the prices, which could reach a peak inaccessible to farmers and labourers, and God knows that farmers and labourers with large families vitally need that commodity. In assuring an equitable distribution, the government does more than protecting the economy of those families; it does take care of national health. Some people say that a certain quantity of sugar was sold on the black market, which means that somebody infringes the law in subtracting sugar from the whole quantity and reselling it at an illegal price. This objection is not a serious one. If a relatively small quantity of sugar is sold in contravention of the law, what would be the situation in this particular matter when capitalists would exercise control and be free to sell that commodity at thirty, forty or fifty cents a pound? It would mean that black market

would be established as the general rule and that farmers' and labourers' families would be deprived of that essential commodity.

With respect to commodities which are under the control of a foreign government, I wish to quote Mr. M. W. Mackenzie, deputy minister of trade and commerce, at page 204 of the report of the standing committee on banking and commerce:

> Now the next point I wish to deal with has to do with the question that has been raised by several people, as to why it was not possible to enumerate in the law the items that we had under export control. There was one very good example of that last year, steel. Steel appeared to be coming into fairly good supply and export control was withdrawn. Then, as you will remember, there were a number of upsets in the American situation which in turn created an extraordinary demand on Canadian supplies, and without export control tremendous quantities of steel would have moved to the United States. Now, that is a situation that arose entirely outside of Canada, but it is illustrative of the sort of thing that happens and can happen so long as Canadian prices are below world prices and so long as there are over-all world shortages. When a particular demand is created in other quarters it can very readily result in an instantaneous demand on Canadian supplies. It is so developed that export control on steel items had to be reinstated in order to protect the domestic supply.

And further:

> As far as imports are concerned, it became necessary during the war to impose import control for a variety of reasons. One of the reasons was that the united nations got together and agreed on an allocation of foodstuffs that were in short supply. Oils and fats is a very good example of that. Canada is far from being self-sufficient in edible oils and fats.

Mr. SPEAKER: Order. The hon. member has not the right to refer to what is going on in a committee before it has reported to the house.

Mr. MARQUIS: Thank you, Mr. Speaker; I bow to your ruling. In the case of commodities under the control of a foreign government, import control must be maintained in order to be sure that we shall get our supply and that a fair distribution may be made among the people. Otherwise the biggest and most aggressive users of some commodities would take the amount available to Canada.

I have here, Mr. Speaker, order No. 711 on maximum prices for goods and services. May I put on the record some of the articles greatly needed by farmers and labourers. In schedule A, part I, under group A, foods, there are listed wheat flour, yeast, bread, processed cereals, prepared flour mixes for pastries, biscuits, rice other than wild rice, pot and pearl barley, shelled corn, dried peas, soya beans, starch, sugar, molasses, corn syrup, honey, tea, coffee, malt, black pepper, butter, cheddar cheese, concentrated milk products of all kinds, salt. These commodities are greatly needed by farmers and labourers, and if there are no ceiling prices, the prices of these commodities will increase to such an extent that the farmers will be required to pay a very large amount of money for them or go without. Later on in the schedule, there are also mentioned corn, peas, tomatoes, canned soups, pork and beans, jellies, marmalades.

In group C, textiles and clothing, there are listed men's, youths' and boys' garments; men's, youths' and boys' furnishings such as collars, shirts, underwear, pyjamas; women's, misses', girls', children's and infants' garments. I need not enumerate all these articles. Then there are textile products as follows: bath mats, bedspreads, blankets, curtains, dish cloths, dish towels, napkins, pillow cases, sheets, table cloths, towels, window blinds and so on.

In group D, household equipment and supplies, there are soap, household heating equipment and fitttings; household water heating equipment and fittings and accessories therefor.

In part II, agricultural machinery, implements, equipment and supplies, there are hand garden planter, corn planter, grain and fertilizer drill, seed box for one-way disc or tiller, manure loader, horse or tractor drawn garden planter, bean drill, grain drill, lime or fertilizer sower, manure spreader; ploughs; tillage implements and cultivators as follows: horse-drawn disc harrow, horse-drawn scuffler, hand cultivator and weeder, tool frames, land rollers, combination planter and cultivator, horse hoe; haying machinery as follows: mowers, sweep rake, hay loader, hay stacker and so on. These articles are used by the farmers. They must pay for them. What would be the result, when they are in such great need of these articles, if the farmers are required to pay fifty, one hundred or two hundred per cent more than they pay today? Those are articles, the price of which must be protected by this house and by this parliament for the benefit of the farmers in my constituency and in the country at large. In the list also are mentioned fertilizers of all kinds. Now is the time for the farmers to buy fertilizers, and they need them in order to grow their crops, in order to bring in a large and rich production during the current year. If there is no ceiling price on those products or on those commodities, the farmers will be in the position of paying a very high price, and probably they will not be able to pay it.

The same thing is true with regard to seeds and so on. There is in this order a list of a large number of articles, all of which are necessary to the farmers; and I submit to the house that we must have some kind of regulation to protect the price for farmers and for labourers in this country. We must also keep in mind that in the past the prices of farm products were not always on a par with those of manufactured products.

I wish to put on the record a list showing the index of the wholesale prices, prices of manufactured goods and of farm products compared with one another. I would ask the permission of the house to put that list on *Hansard* without reading it, because it is only a matter of statistics and it is not lengthy.

Mr. SPEAKER: Has the hon. member leave to put this list on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. MARQUIS: The list is as follows:

Wholesale Prices in Canada 1890 to Date

1890 to 1939=100

	Total wholesale index	Fully and chiefly manufactured goods	Farm products
1890	70·5	86·0	67·7
1891	70·5	82·7	70·1
1892	65·4	77·6	64·1
1893	66·4	76·3	64·8
1894	62·0	71·1	57·1
1895	60·7	70·1	60·1
1896	58·7	69·0	57·6
1897	59·7	69·7	57·6
1898	62·4	72·3	65·1
1899	63·6	71·3	60·9
1900	65·5	74·9	63·8
1901	66·9	73·7	67·6
1902	69·9	73·9	70·2
1903	70·9	74·6	71·6
1904	71·7	76·6	73·4
1905	73·9	78·2	72·9
1906	74·2	76·5	72·2
1907	80·2	81·2	84·2
1908	80·0	82·6	85·8
1909	81·4	81·8	94·1
1910	82·4	82·2	85·1
1911	85·1	80·5	86·7
1912	89·5	84·4	98·9
1913	87·6	84·4	90·0
1914	89·6	85·5	98·6
1915	96·3	92·6	109·4
1916	115·3	110·2	126·1
1917	156·4	147·9	180·5
1918	174·3	166·4	186·3
1919	183·3	172·1	206·1
1920	213·3	203·9	225·6
1921	150·5	151·2	145·6
1922	133·1	130·8	123·6
1923	134·1	134·3	114·5
1924	136·0	132·7	123·7
1925	140·4	135·2	141·9
1926	136·8	130·3	145·2
1927	133·7	125·7	139·4
1928	131·9	123·8	137·1

Wholesale Prices in Canada 1890 to Date—*Conc*

1890 to 1939=100

	Total wholesale index	Fully and chiefly manufactured goods	Farm products
1929	130·8	121·2	141·6
1930	118·5	113·7	120·2
1931	98·6	97·4	79·4
1932	91·3	90·9	65·9
1933	91·8	91·4	69·7
1934	98·0	95·6	84·0
1935	98·6	94·8	89·7
1936	102·1	95·9	98·5
1937	115·7	104·9	118·1
1938	107·5	101·9	103·5
1939	103·2	98·1	93·1
1940	113·4	106·2	96·7
1941	123·1	115·7	107·2
1942	130·8	119·7	127·8
1943	136·8	121·3	146·2
1944	140·2	121·9	156·2
1945	141·7	122·3	161·2
1946	148·6	128·6	165·9

This list proves that, for the years 1943 to 1946, on account of controls, prices of farm products compare advantageously with manufactured products.

On behalf of the farmers and labourers I wish to support the principle of this bill in order to avoid a disproportionate increase in the price of manufactured goods and in order that reasonable prices for farm products may be maintained. What would be the situation of farmers who are having difficulty in securing help for their farm work if prices of farm products cannot be maintained? What would be their situation if they were to be called upon to pay from fifty to one hundred per cent more for agricultural implements or the numerous other articles which they are obliged to buy? On the other hand, at what price would they sell their production? It is obvious that monopolies would do their best themselves to control production and to determine in a relatively short time prices of their own choice. However I do not like controls for the pleasure of having controls, but I prefer to see them exercised by the government rather than by monopolies.

Mr. R. H. WINTERS (Queens-Lunenburg): In the light of the trend this debate has taken to date, I should like to say a few words as a member from Nova Scotia. May I say, at the outset, that one of the most striking points in the debate on controls is the use of the word "bureaucrat" by opposition members. The same people who are spoken of so sympathetically by those hon. members when civil service matters are under discussion suddenly become power-hungry bureaucrats when the government policy on controls is being debated. One is led to believe

that these otherwise reliable civil servants have the sinister faculty of changing character to conform to the particular fancy of this house.

The arguments for and against controls and their continuation have followed the pattern that has been established in this house on previous occasions. On the one hand, there are the vocal champions of the cause of abolition of all controls, and almost invariably these hon. members are Progressive Conservatives. At the other extreme are those who speak out strongly for the maintenance of controls and even for increasing them, in accordance with their policies of socialism or controlled economy. Neither of these extremes presents a practical solution under present circumstances, as their supporters well know and as the Progressive Conservatives have indicated by their votes on many occasions.

Time and again Nova Scotians have indicated their satisfaction with the steady course this government is steering between the shoals of economic extremities on either side. This afternoon I was interested and amused by some parts of the speech delivered by the hon. member for Eglinton (Mr. Fleming). When he said this house was floundering in its treatment of this bill it must be presumed that he was expressing his own views or the views of his party, since, as far as I have been able to determine, they certainly are not the views of this country. His arguments were not sufficiently persuasive for this party, even though they were generously buttressed by such magic words as "willy-nilly", "holus-bolus" and many others.

Mr. MACDONNELL (Muskoka-Ontario): Are you sure you have an open mind?

Mr. WINTERS: As Nova Scotians see it, Mr. Speaker, there are two broad classes of economic controls. The first and much more far-reaching class will not be affected by this legislation, since it is not involved one way or the other. I refer to those controls or restrictions which seem to be Nova Scotia's birthright as the result of her geographical situation; economic controls that act in restraint of the flow of a free supply and demand economy. When one considers the freight rates, long, slow rail hauls, the distances from centres of population, and other factors which act to our disadvantage it must be clearly evident that Nova Scotia has been operating under a system of the most severe type of economic controls since the days of confederation. The same can be said of the other two maritime provinces and, to some extent, of Manitoba, Saskatchewan, Alberta and British Columbia. It is these controls, not the temporary controls with which we are dealing at the moment, that give us our greatest concern.

I am sure many hon. members do not appreciate the significance of this position, and there is a tendency to dismiss it as the old bogey of maritime rights; but I can tell hon. members that it is discouraging indeed to be told time and again by buyers in central Canada that they are not interested in products manufactured in Nova Scotia because almost invariably it goes without saying that, even though many items may be manufactured more cheaply in Nova Scotia, they cannot be placed on the big markets at competitive prices because of freight rates. It is this obstacle in restraint of trade with the rest of Canada that controls maritime economy to our disadvantage. This is a real problem, which merits full consideration, but I need not take the time of the house to discuss it more fully just now.

The second class of controls to which I referred are in the category we are discussing at the present time. The statement presented this afternoon by the Minister of Finance (Mr. Abbott) is pregnant with significance, as one hon. member said last evening, as far as it applies to coal subsidies in particular. The removal of subsidies will be viewed with decidedly mixed feelings in Nova Scotia. The hon. member for Acadia (Mr. Quelch) said he saw no reason why Canada should subsidize the rest of the world. To go one step farther —many Canadians feel that Nova Scotia is over-subsidized, but in many respects the reverse is true. When one considers the normal flow of wealth from Nova Scotia to Ontario and Quebec, the disproportionate amount of foreign loans returning to industrial Ontario and Quebec through the bulk of orders being placed in these provinces, and other factors, it appears to Nova Scotians that in many ways we are subsidizing these other provinces of Canada; and to quote once more from the speech made earlier this evening by the hon. member for Acadia, we often wonder why this must be the case.

Under the circumstances, though we strongly believe in private initiative, we do not consider some subsidies, such as that paid on coal, to be as iniquitous as many people would have us believe. In this matter of controls we have only to refer to the position of western farmers with respect to wheat to realize something of what we maritimers feel with respect to subsidies of this kind. I wish to make it perfectly clear, however, that we do not believe in subsidizing to the point where industry and/or labour feel they do

not have to exert their maximum and most efficient efforts to achieve full and profitable operation.

The controls with which I am now dealing were imposed to smooth out and regulate our economy during the critical years of the war; and it is to the credit of those responsible, those usually referred to by the opposition as bureaucrats, that they did the job and did it well. We in Nova Scotia are proud to give a full share of this credit to the present Minister of Justice (Mr. Ilsley). Other countries seem much more appreciative of the results of Canada's programme of economic controls, and they are much more ready to acknowledge a job well done than many people within the dominion itself. The very factors which make controls necessary make them bothersome, because they restrict or restrain. In many cases individuals are required to make sacrifices for the over-all good; and by nature none of us likes to suffer more than is necessary.

The people of my constituency of Queens-Lunenburg are anxious to return to a free, uncontrolled economy at the earliest possible day, but they do not want to run any risks of having their present economy jeopardized. The control over the sale of lumber seems to draw more fire than any other, and I would request the minister concerned to give special consideration to the adjustment of the domestic retail price at the first opportunity. We are satisfied, however, that in general the government's policy of gradual decontrol is good. We are confident that, wherever possible, controls are being removed, when this can be done without endangering costs of living. This is clearly and abundantly evident more than ever, from the statement tabled this afternoon by the Minister of Finance.

One does not need to seek far for the basis of the government's policy in this matter of controls. It is a policy of common sense; it is one that will ensure the continuation of the sound economy which has been the envy of almost all foreign countries. We are satisfied that the authority this bill seeks, that is, to continue in effect a limited number of economic controls for a short period of time, is in the best interests of the country. What we want is orderly and gradual decontrol, and we are satisfied this government is doing just that.

I can tell this house, therefore, that the citizens of the constituency of Queens-Lunenburg are heartily in favour of this bill.

On motion of Mr. Macdonnell (Muskoka-Ontario) the debate was adjourned.

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

83166—126½

Wednesday, April 2, 1947

The house met at three o'clock.

PRIVILEGE

MR. MATTHEWS—EMERGENCY POWERS BILL—OMISSION OF NAME FROM DIVISION LIST ON APRIL 1

Mr. J. E. MATTHEWS (Brandon): On a matter of privilege I wish to point out that neither in the *Votes and Proceedings* nor in yesterday's *Hansard* does my name appear as having voted in the vote which was taken yesterday. I was in my place, as I usually am, and I had no hesitation in voting to sustain your ruling, Mr. Speaker.

NEWFOUNDLAND

DELEGATION FROM NATIONAL CONVENTION TO VISIT CANADA

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I should like to inform the house that the national convention of Newfoundland recently passed a resolution expressing a desire to send a delegation to Ottawa to ascertain from the Canadian government what fair and equitable basis may exist for federal union of Canada and Newfoundland. The resolution requested the Governor of Newfoundland to inquire whether the Canadian government would receive a delegation for this purpose.

Through our high commissioner in St. John's, the government has now received this communication from the Governor of Newfoundland. We have replied that we shall be happy to receive a delegation from the national convention of Newfoundland at a mutually convenient date. We said that the Canadian government is of the opinion that the questions to be discussed with the delegation are of such complexity and of such significance for both countries that it is essential to have a complete and comprehensive exchange of information and a full and careful exploration by both parties of all the issues involved, so that an accurate appreciation of the position may be gained on each side.

Yesterday, upon being informed that the Canadian government is willing to receive a delegation, the national convention elected six of its members in addition to its chairman to serve on the delegation which, in due course, will proceed to Ottawa. The chairman of the national convention is the Honourable F. G. Bradley, K.C., and I understand that the other members elected are: Mr. T. G. W. Ashbourne; Mr. C. H. Ballam; the Reverend

L. Burry; Mr. G. F. Higgins, K.C.; the Honourable R. B. Job; and Mr. J. R. Smallwood.

The national convention has also elected a delegation which is to proceed to England to discuss with the government of the United Kingdom the question of the financial and fiscal relationships which may be expected between the United Kingdom and Newfoundland under various possible forms of future government. This delegation is to be received in London on April 29. We understand that the national convention desires that the visit of its delegation to Ottawa should take place after the convention has received replies to the inquiries which it proposes to address to the government of the United Kingdom. It is therefore expected that our meetings with the delegation from the national convention will take place at a mutually convenient date subsequent to the conclusion of the discussions which are to take place in London.

The government is confident that the friendship and cooperation which have marked our relations with Newfoundland will provide a firm basis for discussions with a delegation from the national convention. The delegation will, I feel sure, be warmly welcomed in Ottawa. I will endeavour from time to time to keep the house informed of developments.

[Later:]

WITHDRAWAL OF NOTICE OF MOTION FROM ORDER PAPER

On the orders of the day:

Mr. L. E. BAKER (Shelburne-Yarmouth-Clare): Mr. Speaker, there appears on the order paper of today, as No. 24 under notices of motions, the following proposed resolution under my name:

That, in the opinion of this house, if the constituent assembly of Newfoundland desires to enter into discussion with the government of Canada as to the terms on which Newfoundland might enter confederation, the government should at once proceed to enter discussions to explore the conditions on which Newfoundland might enter confederation.

I was delighted to hear the statement which the Secretary of State for External Affairs made to the house, and since the matter has been completely covered I would ask leave to withdraw the motion. Taking the long term view, I consider that it will be in the strategic, economic and political interest of both countries if this union can be brought about.

Mr. GRAYDON: That is a speech. That is not the way I was treated yesterday.

Motion withdrawn.

[Mr. St. Laurent.]

CANADIAN COMMERCIAL CORPORATION ACT

PURCHASES FOR DEPARTMENT OF NATIONAL DEFENCE

Right Hon. J. L. ILSLEY (for the Minister of Trade and Commerce) moved the first reading of Bill No. 134 (from the senate) to amend the Canadian Commercial Corporation Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 135, for the relief of Violet Olive Magdalene Allchin Clark—Mr. Maybank.

Bill No. 136, for the relief of Victor Reid Murray—Mr. Maybank.

Bill No. 137, for the relief of Agnes Jane Irwin Everitt Dixon—Mr. Maybank.

Bill No. 138, for the relief of Peter Samuel Rosen—Mr. Maybank.

Bill No. 139, for the relief of Rose Waselevsky Balakirsky—Mr. Maybank.

Bill No. 140, for the relief of Sophie Wener Finestone—Mr. Maybank.

Bill No. 141, for the relief of Norma Sharp Chapman—Mr. Maybank.

Bill No. 142, for the relief of Douglas Wilson Bradshaw—Mr. Maybank.

Bill No. 143, for the relief of Muriel Amelia Dufty Rochet—Mr. Maybank.

Bill No. 144, for the relief of Ethel Ornstein Pfeffer—Mr. Maybank.

Bill No. 145, for the relief of Hilda Katz Delnick—Mr. Maybank.

Bill No. 146, for the relief of Emilienne Grinsell Daoust—Mr. Maybank.

Bill No. 147, for the relief of Alice Hamilton Peck Stevenson—Mr. Maybank.

Bill No. 148, for the relief of Doris Victoria Bellisle Page—Mr. Maybank.

Bill No. 149, for the relief of Sydney Beaver—Mr. Maybank.

Bill No. 150, for the relief of Gladys Kathleen Wilkins Todd—Mr. Maybank.

Bill No. 151, for the relief of Norma Elizabeth Jane Murray Hanko—Mr. Maybank.

Bill No. 152, for the relief of Bernadette Mayford Roy—Mr. Maybank.

Bill No. 153, for the relief of Ellen Irene Gertrude Preston Hastie—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR ASSETS—DEBERT, N.S.—LUMBER

Mr. BROOKS:

1. Is the lumber salvaged from the Debert camp, Nova Scotia, being sold at present through war assets corporation?

2. If not, by whom is it being sold?
3. Is preference being given in purchasing to war veterans?
4. How much lumber was salvaged?
5. How much lumber has been sold to veterans and at what price?
6. How much lumber has been sold to parties other than veterans?
7. Is any of the lumber being sold outside the province of Nova Scotia?

Mr. McILRAITH:

1. Yes.

2. Answered by No. 1.

3. Yes. Preference in purchasing is given to war veterans, the purchasers being designated by Central Mortgage and Housing Corporation.

4. As of February 14, 1947, 6,194,762 F.B.M.

5. 1,686,702 F.B.M. at a total price of $68,068.38 has been sold to veterans up to March 25, 1947. Of this amount, 461,832 F.B.M. at a price of $16,846.22 was sold by war assets corporation direct to veterans designated by Central Mortgage and Housing Corporation and 1,224,870 F.B.M. at a total price of $44,541.01 was subsequently sold to Dwelling Electrical and Construction Supplies, the officially appointed agents of Central Mortgage and Housing Corporation for resale to veterans. The latter price quoted is the actual price at which war assets corporation sold to D.E.C.S. who added 15 per cent to cover handling charges. The actual price at which this lumber was sold to veterans, therefore, including the 15 per cent handling charge, was $51,222.16.

6. 2,000,000 F.B.M. has been sold to Wartime Housing Limited for use in veterans' houses.

7. Yes. The 2,000,000 F.B.M. which Wartime Housing Limited purchased was shipped into the province of Quebec.

MOUNTED POLICE—SPECIAL SECTION

Mr. STEWART (Winnipeg North):

1. Who is head of the special section of the R.C.M.P.?
2. What is his salary and what are his special qualifications for this work?
3. What are the responsibilities of the special section?
4. How many members of the R.C.M.P. are employed in this branch and what special training and qualifications are they required to possess?
5. Was the special section known as the "intelligence section" within the last two years?

Mr. ILSLEY:

1. Superintendent C. E. Rivett-Carnac, Assistant Director of Criminal Investigation.

2. Salary—$3,576.25 per annum. Qualifications—Twenty-four years' service including studies in the United Kingdom and the United States.

3. To conduct special investigations.

4. It would be prejudicial to the operations of the special section, to give this information.

5. Yes.

MOUNTED POLICE—NATURALIZATION INVESTIGATIONS

Mr. STEWART (Winnipeg North):

1. Does the R.C.M.P. supervise naturalization investigations? If so, are files kept on some or all applications for naturalization?
2. Are such files kept in connection with applicants who are not suspected of criminal activities?
3. When the investigation is completed, what is the disposition of these files?

Mr. ILSLEY:

1. The R.C.M.P. at the request of the Department of the Secretary of State reports on applicants for naturalization. Files are kept on all applications.

2. Yes.

3. They are placed in the file room.

MOUNTED POLICE—SURVEY OF CANADIANS OF GERMAN ORIGIN

Mr. STEWART (Winnipeg North):

1. Did the R.C.M.P. conduct a dominion-wide survey of Canadians of German origin after the collapse of Germany?
2. If so, how many citizens were surveyed?
3. Were any general conclusions arrived at? If so, what was the basis for such conclusions?
4. How many were employed on this survey?
5. How long did the survey take?

Mr. ILSLEY:

1. A survey of some persons of German origin was in progress at the time Germany collapsed.

2. No figures available.

3. No.

4. Information not available.

5. Approximately one month.

MOUNTED POLICE—CRIMINAL SUSPECTS

Mr. STEWART (Winnipeg North):

1. Does the R.C.M.P. in certain cases check files on citizens who are not suspected of criminal activities, at their headquarters. If so, how many such files are maintained at headquarters?
2. What is the disposition of such files when the R.C.M.P. have completed their investigations?

Mr. ILSLEY:

1. Yes. Number cannot be determined.

2. Placed in file room.

MOUNTED POLICE—UNRRA EMPLOYEES—SECURITY CLEARANCE

Mr. STEWART (Winnipeg North):

1. Has the R.C.M.P. aided UNRRA in the matter of providing security clearance for prospective employees?

2. Does the R.C.M.P. still do so?

3. How does the R.C.M.P. render such assistance?

4. Has the R.C.M.P. made reference to files in their possession when clearing prospective employees?

5. If so, how many of these files exist?

Mr. ILSLEY:

1. Yes.

2. No.

3. By investigation and report.

4. Yes.

5. Number cannot be determined.

MOUNTED POLICE—SUPERVISION OF MINORITY GROUPS

Mr. STEWART (Winnipeg North):

1. Does the R.C.M.P. keep minority groups, particularly European, under observation and/or supervision? If so, how are minority groups observed and/or supervised?

2. How many citizens are observed or supervised in the course of this work?

3. Have any general conclusions been arrived at? If so, what is the basis for such conclusions?

4. How many employees take part in such observations and/or supervision?

5. How long is this observation and/or supervision expected to continue?

Mr. ILSLEY:

1. Yes, if warranted. By following usual lines of inquiry.

2. No figures available.

3. No.

4. No fixed number.

5. No decision has been made.

WARTIME HOUSING—PORT HOPE

Mr. STEPHENSON:

1. What was the total cost to the government of the 50 wartime houses recently completed at Port Hope, Ontario?

2. What was the individual cost of (a) 4-roomed houses; (b) 5-roomed houses; (c) 6-roomed houses?

3. What was the agreement entered into by the government with the town of Port Hope for the building of these houses, rentals, management, and final disposition of same?

4. What was the length of time taken to complete the building of these 50 houses?

5. How many watchmen or guards were employed during the period of construction?

6. What was the total remuneration paid to such guards or watchmen?

[Mr. Ilsley.]

Mr. McILRAITH:

1.

Total costs to February 28, 1947	$209,620.64
Accrued claims and commitments	17,593.74
Landscaping (to be awarded this spring)	3,000.00
Estimated final cost	$230,214.38

2.

Based on the above final costs, the average costs will be as under:

	Construction Costs
(a) 4-room bungalow	$3,892.40
(b) 5-room house	4,476.15
(c) 6-room house	5,231.12

	Improvements and Services
(a) 4-room bungalow	$ 232.58
(b) 5-room house	232.59
(c) 6-room house	232.61

	Estimated Total Cost
(a) 4-room bungalow	$4,124.98
(b) 5-room house	4,708.74
(c) 6-room house	5,463.73

3. The agreement entered into with the corporation of the town of Port Hope was the standard municipal agreement and covers the following points:

(1) The town shall convey to Wartime Housing Limited improved property for $1 per building lot.

(2) Wartime Housing Limited shall construct houses in accordance with plans and specifications filed with the town clerk.

(3) Wartime Housing Limited shall have the privilege of leasing the houses to servicemen and/or their dependents at rents ranging from $22 to $30 per month per house.

(4) Wartime Housing Limited at its own cost and expense shall carry out the management and control of the houses and shall repair, maintain and keep the houses in good and substantial repair.

(5) The town shall provide such facilities, privileges and services as are furnished or made available to other property owners and tenants.

(6) Wartime Housing Limited shall pay in lieu of taxes, for services rendered and privileges and facilities made available, the sum of $24 per annum for each house containing two bedrooms; and $30 per annum for each house containing more than two bedrooms. Such payments to be pro-rated during the first year.

(7) Wartime Housing Limited shall pay the town $1 per year, per house for street lighting services.

(8) The town has the right to collect from the tenants any licence, permit fee, dog tax, business tax or poll tax.

(9) Wartime Housing Limited shall be at liberty to sell the houses, and if sold prior to October 31, 1951 shall pay the town $400 in respect of the land appurtenant to each house and from November 1, 1951 to October 31, 1956, the sum of $200 in respect of the land appurtenant to each house, provided that the payment in lieu of taxes shall be pro-rated proportionately during the year in which sold.

(10) Wartime Housing Limited gives the town an option to purchase as a whole, and not individual parcels thereof, the building lots owned by Wartime Housing Limited on November 1, 1961, for the sum of $1,000 for each of the houses. The option is open for acceptance any time between November 1, 1961 and January 31, 1962.

(11) Any existing or future town by-laws respecting the manner, mode, location and type of construction shall not apply to these houses.

(12) In the event any houses are damaged by fire, Wartime Housing Limited may at its discretion either repair or completely remove the damaged building. In the event of removal, the property is returned to the town for $1.

(13) Payments in lieu of taxes as mentioned in section 6 and 7 are payable until 1961 provided that if the actual cost per house shall exceed or be less than the estimated average cost of $4,000 per house, the above period shall be extended by one year for each full $200 by which the actual average cost exceeds the estimated; and shall be reduced by one year in respect of each $200 by which the actual average cost is less than the estimate.

4. The contract was awarded June 11, 1946 and the fiftieth house was accepted for rental purposes on February 8, 1947.

5 and 6. The contract was awarded to the Eastwood Construction Company Limited on a firm price basis and detail in connection with labour is not available. Total remuneration however paid to guards or watchmen was $856.80.

RIFLE ASSOCIATIONS—SMALL ARMS AMMUNITION

Mr. CRUICKSHANK:

1. Have any civilian rifle associations made application for small arms ammunition?
2. Have their applications been granted?
3. If not, what is the reason for such requests not being granted?
4. Has any small arms ammunition been disposed of by sale, dumping or other method?
5. If so, why was this ammunition not made available to members of the Pacific Coast Militia Rangers or Civilian Rifle Association?

Mr. LAPOINTE:

1. Yes.

2. No. However ammunition is provided to the Dominion of Canada Rifle Association for issue to military rifle associations.

3. These are civilian organizations and under present regulations no issue of rifles and ammunition to such organizations is authorized.

4. Unserviceable ammunition has been destroyed. Serviceable ammunition surplus to service requirements has been declared surplus to war assets corporation for disposal.

5. Answered by No. 3.

POSTAL SERVICE—CANADIAN PERIODICALS—SECOND CLASS MATTER

Mr. PROBE:

1. What revenue was received by the department of the Postmaster General for each of the years 1944, 1945, and 1946 for Canadian periodicals mailed as second class mail matter?
2. What was the charge to the department by commercial carriers for the periodicals specified?
3. What was the estimated profit or loss to the department for handling these periodicals in the years mentioned?

Mr. BERTRAND (Laurier):

1. Revenue from all newspapers and periodicals mailed by publishers was approximately: 1944, $2,052,100; 1945, $2,041,520; 1946, $2,279,285.

2. Payments to commercial carriers for conveyance newspapers and periodicals are not kept separately from payments for conveyance other classes of mail, but according to statistics taken recently it is estimated that the cost of conveyance of newspapers and periodicals by railway and steamboat amounts to approximately $2,809,350 per annum.

3. The loss in handling newspapers and periodicals is estimated at $7,287,400 per annum.

SHERBROOKE-SHEET HARBOUR, N.S., MAIL SERVICE

Mr. LOW:

1. Who is the mail contractor on the route from Sherbrooke to Sheet Harbour in Nova Scotia?
2. What amount of money does he receive per year for the contract?

Mr. BERTRAND (Laurier):

1. T. E. Fraser.

2. $3,939.99 plus 5 per cent bonus ($197)—total $4,136.99.

DISMISSALS FOR SUBVERSIVE ACTIVITIES—COURT OF APPEAL

Mr. WINKLER:

Has the government taken any action to set up something in the nature of a court of appeal whereby employees of a non-permanent nature dismissed because of alleged subversive activities may have an opportunity to present their side of the case?

Mr. GIBSON (Hamilton West): No.

MOUNTED POLICE—RECORDS OF PERSONS ATTENDING SUBVERSIVE GATHERINGS

Mr. STEWART (Winnipeg North):

1. Does the R.C.M.P. keep records of persons attending gatherings of a subversive character?
2. If so, how many records are there of such people?
3. What is the R.C.M.P. definition of a gathering of subversive character?
4. What is the R.C.M.P. definition of (a) record; (b) report; (c) file (d) dossier?

Mr. ILSLEY:

1. Yes, if warranted.
2. Disclosure of this information is against public interest.
3. A gathering of subversive character is a gathering of persons conducting subversive activities.
4. The R.C.M.P. apply the ordinary meaning to these words.

NATIONAL REVENUE—SEIZURES

Mr. HERRIDGE:

1. Of the seizures made by the Department of National Revenue, customs branch, from January 1, 1946, to December 31, 1946, what was the quantity of (a) cigarettes; (b) tobacco; (c) liquor; (d) other commodities, and what was the value of each?
2. How were such materials disposed of?
3. What quantity of each item was destroyed?

Mr. McCANN:

1. No statistics are kept and to answer the question would entail drawing 4,482 files, the number of customs seizures for the calendar year 1946. It would take at least six weeks to compile such a statement.

2. (a) Cigarettes: destroyed in those cases where persons involved refuse to take release on payment of amount demanded.

(b) Tobacco: same as above.

(c) Liquor: destroyed.

(d) Other commodities: sold by tender when release not taken on terms offered.

3. No statistics kept.

PENSIONS TO THE BLIND

Mr. MATTHEWS (Brandon):

1. How many blind pensioners were there on the rolls as of December 31, 1946?

[Mr. E. Bertrand.]

2. What is the total number of blind?
3. Is there compulsory registration of blind persons in Canada?

Mr. MARTIN:

1. 7,288.
2. Approximately 14,000.
3. No.

DOMINION COUNCIL OF HEALTH

Mr. DIONNE (Beauce):

1. What is the Dominion Council of Health?
2. What groups or associations are represented on the said council?
3. How often does such council meet?

Mr. MARTIN:

1. The Dominion Council of Health was established under the Department of Health Act, 1919, to consist of the Deputy Minister of National Health as chairman, and the chief executive officer of the provincial department or board of health of each province, and such other persons, not to exceed five in number, as may be appointed by the governor in council to hold office during good behaviour for a period of three years. The council, as originally composed, was perpetuated by the Department of Pensions and National Health Act, 1928, and by the Department of National Health and Welfare Act, 1944.

2. No statutory provision is made regarding the selection and appointment of the five additional members on the council. However, by custom it has evolved that they are chosen to represent the following groups: English-speaking women's social welfare groups; French-speaking women's social welfare groups; Agriculture; Labour; Scientific public health.

3. The act provides that the council shall meet at such times and at such places as the minister may direct. Usually it meets twice a year, in the spring and in the fall.

GRANTS TO VOLUNTARY HEALTH ORGANIZATIONS

Mr. MacLEAN:

What voluntary organizations working in the field of health receive grants from the Department of National Health and Welfare?

Mr. MARTIN:

The Canadian National Committee for Mental Hygiene; The Health League of Canada; Canadian National Institute for the Blind; L'Association Canadienne Francaise des Aveugles; L'Institute Nazareth de Montreal; Montreal Association for the Blind; Canadian Tuberculosis Association; Victorian Order of Nurses; St. John Ambulance Association; Canadian Red Cross Society.

DOMINION COUNCIL OF HEALTH

Mr. GOURD (Chapleau):

1. Does the Dominion Council of Health rely on other persons or groups for technical assistance concerning specific problems?
2. Are the proceedings of the said council made public?

Mr. MARTIN:

1. Yes. The following committees or councils established under section 6 of the Department of National Health and Welfare Act are looked to by the council for advice on specific problems: (a) the Canadian council on nutrition; (b) conference of venereal disease control directors; (c) technical advisory committee on industrial health; (d) technical advisory committee on public health laboratories; (e) the vital statistics council; (f) the conference of mental health directors; (g) the conference of health education directors.
2. No.

DOMINION COUNCIL OF HEALTH

Mr. LAURENDEAU:

What are the powers and functions of the Dominion Council of Health?

Mr. MARTIN:

The duties and powers of the council, as prescribed by order in council P.C. 583 of the 19th of February, 1946, are twofold, namely:

1. The consideration of matters relating to the promotion or preservation of the health of the people of Canada and the initiation of recommendations and proposals to the Minister of National Health and Welfare and other appropriate authorities in regard thereto; and
2. The furnishing of advice to the Minister of National Health and Welfare in respect to the matters provided in section 5 of the Department of National Health and Welfare Act, relating to the promotion or preservation of the health of the people of Canada, over which the parliament of Canada has jurisdiction.

WORLD HEALTH ORGANIZATION—INTERIM COMMISSION

Mr. DECHENE:

1. What is the status of the interim commission of the world health organization?
2. Is Canada represented on the interim commission?
3. Is the world health organization officially constituted at the present time?

Mr. MARTIN:

1. The interim commission of the world health organization is still in existence. The third session of the commission is now taking place at Geneva.

The interim commission is continuing the health functions of UNRRA and is gradually taking over the health section of the league of nations and office international d'hygiene publique in Paris. This is all preparatory work, and will have to be confirmed by the executive board when the world health organization comes into being. See paragraph 3.

2. Yes.
3. No.

RADIO BROADCASTING—"FINE ARTS" PROGRAMME

Mr. FRASER:

1. Does the Canadian Broadcasting Corporation broadcast on Sunday "The Fine Arts" programme from the United States?
2. If so, what is the total cost of this programme for each broadcast?
3. What is paid the artists or their agents for each broadcast?
4. How long is each broadcast?
5. Over what Canadian stations does the Canadian Broadcasting Corporation broadcast this programme?

Mr. McCANN:

1. The "Fine Arts Quartet", a sustaining programme from the American Broadcasting Company.
2. No cost to the CBC.
3. No information.
4. Half hour.
5. CJFX, Antigonish, N.S., CBH, Halifax, N.S.; CBA, Sackville, N.B.; CKNB, Campbellton, N.B.; CHSJ, Saint John, N.B.; CHGS, Summerside, P.E.I.; CBO, Ottawa, Ont.; CFJM, Brockville, Ont.; CJBC, Toronto, Ont.; CKSO, Sudbury, Ont.; CBJ, Chicoutimi, P.Q.; CBV, Quebec, P.Q.; CBF, Montreal, P.Q.; CHNC, New Carlisle, P.Q.; CHGB, Ste. Anne de la Pocatiere, P.Q.; CHLT, Sherbrooke, P.Q.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR ASSETS—MOTOR VEHICLES

Mr. LALONDE:

1. Has war assets corporation sold motor vehicles to the government of the province of Quebec or any department or departments thereof?
2. If so, what are the make, motor number and serial number of each vehicle?
3. What is the description of each vehicle?
4. What is the date of each delivery of said vehicles?

Mr. McILRAITH: Return tabled.

VIRDEN, MAN., AIRPORT

Mr. ZAPLITNY:

1. Has the airport at Virden, Manitoba, been sold?
2. If so, to whom, and at what date?

3. What was the original cost of the buildings on this airport?

4. What amount was received for these buildings?

5. Were any of these buildings offered to (a) the Manitoba government; (b) the town of Virden?

POSTAL SERVICE

RATES ON PARCELS TO UNITED KINGDOM

Hon. ERNEST BERTRAND (Postmaster General): Yesterday a question was asked by the hon. member for Lethbridge (Mr. Blackmore), and on Monday a similar question was asked by the hon. member for Eglinton (Mr. Fleming), with respect to parcel post rates. I should like to give the answer now.

Parcel post rates on parcels from Canada to the United Kingdom are based on three factors: (1) cost of handling and transportation in Canada; (2) charges paid for transatlantic conveyance, and (3) credits paid to the United Kingdom postal administration for handling and delivery in the United Kingdom. The latter two charges are the actual amounts which the Canadian postal administration is required to pay out.

As regards the charges for handling in Canada, the amount which is included in the postage rates is less than that which is charged for handling a similar parcel in the domestic service. Parcel post rates will be reduced whenever conditions permit.

Furthermore, the department is not in a position to waive postage, as this would cost more than $3,000,000 per annum.

RADIO BROADCASTING

SPECIAL COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF CANADIAN BROADCASTING CORPORATION

Hon. J. J. McCANN (Minister of National Revenue) moved:

That a select committee to be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Messrs. Beaudoin, Bertrand (Prescott), Bowerman, Coldwell, Diefenbaker, Fleming, Fulton, Gauthier (Portneuf), Hackett, Hansell, Knight, Langlois, Laurendeau, Maloney, Maybank, McCann, Mullins, Nixon, Pinard, Robinson (Simcoe East), Reid, Ross (Hamilton East), Ross (St. Paul's), Smith (Calgary West), and Winters, and that the presence of at least nine members shall be a quorum of the said committee and that standing order 65 be suspended in relation thereto.

[Mr. Zaplitny.]

Mr. A. L. SMITH (Calgary West): I intend to support the motion and I will only take your time, Mr. Speaker, for a sentence or two. I wish to express the hope that the house at this session will find time, as we did not during the last session, to deal with the report of the radio committee, and particularly to find out whether or not this House of Commons is in favour of handing to any corporation complete power of regulation and control over concerns in opposition to it. We did advocate and will continue to advocate that some independent body shall stand between the corporation itself and its opposition, who are in competition in the advertising business. I wish to express to the minister my appreciation of the setting up of the committee. With that I hold my peace.

Motion agreed to.

LABOUR-PROGRESSIVE PARTY OF CANADA

On the orders of the day:

Hon. J. J. McCANN (Minister of National Revenue): Yesterday the hon. member for Trinity (Mr. Skey) asked a question as follows:

I should like to ask the Minister of National Revenue whether the Canadian Broadcasting Corporation has now been instructed that the Labour-Progressive party of Canada is no longer entitled to free time on the C.B.C. national network.

My answer is that under the Canadian Broadcasting Act the Canadian Broadcasting Corporation is itself responsible for its own broadcasting activities, and in connection with them it does not take instructions from the government. I might interject too that the government does not presume to give instructions to the Canadian Broadcasting Corporation. The corporation last September adopted an amendment to its own white paper on political and controversial broadcasting providing that a party which has no representation in the House of Commons shall not be provided free political time on national C.B.C. networks between election campaigns.

UNITED NATIONS

JOHN GRIERSON—QUESTION AS TO APPLICATION FOR DIPLOMATIC PASSPORT

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I should like to ask a question of the Secretary of State for External Affairs. Has Mr. John Grierson applied to the Canadian government for a diplomatic passport, as adviser to the director of UNESCO, or has he made any

approaches to any department in that regard? If he has, what will be the government's attitude with respect to such application?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The answer is no. There has been no application for a diplomatic passport, but it is customary to accord diplomatic immunities to officials of the united nations, and Mr. Grierson will be treated in that regard in the same way as other officials of the united nations.

CANADIAN REPRESENTATION AT MOSCOW

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I wish to direct a question to the Secretary of State for External Affairs. Is there any change contemplated with respect to Canada's representation at Moscow? I ask the question because the Under Secretary of State for External Affairs indicated that he was hoping for an appointment very soon either to China or to Russia, and I should think the latter is the only one which might conceivably be open.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am not sure that the words "very soon" were in the statement made by the under secretary of state. I understood it to be the expression of a pious hope. I am afraid that the under secretary will have to resign himself to the position he now occupies for some considerable time; at least, that is my hope, if I am to remain in the office.

INQUIRY OF THE MINISTRY

DATE OF HALIFAX BY-ELECTION

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I wish to direct a question to the acting leader of the government. It arises out of some anxiety in Halifax as to whether the government is in a position to indicate approximately on what date the Halifax by-election might take place.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Although I do not like to use this form, I think I shall have to use it on this occasion and say that the intentions of the government in that regard will be made known in due course.

Mr. GRAYDON: Can the minister indicate whether the government has had a late meteorological report on the conditions of the weather in Halifax?

Mr. ST. LAURENT: The answer is, no.

RENT CONTROL

PRESS REPORT OF TEN PER CENT INCREASE

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Finance. Has his attention been drawn to a report in today's issue of the Montreal *Gazette* to the effect that a ten per cent increase in rent is to be announced on Thursday? Is that report true or false?

Hon. DOUGLAS ABBOTT (Minister of Finance): I have not seen the report.

Mr. KNOWLES: Is it true or false?

Mr. SPEAKER: Order.

Mr. ABBOTT: This is not a radio programme.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Tuesday, April 1, consideration of the motion of Mr. Ilsley for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, and the amendment thereto of Mr. Fleming.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, while this bill we are considering deals with certain controls set out therein, nevertheless I think it has been clear from the course of the debate that the whole principle of control and the attitude of members of this house toward the controlled economy is an important element, and at the outset I should like to make some rather general observations on that point.

I have the feeling that at the present time there are two views which, like the parallel lines we learned about at school, if produced ever so far both ways will not meet. My own feeling is that that should not be so, that these differences are not absolute. It is my hope to say some things which might enable those parallel lines to come a little closer together. Of course one hopes that when the parallel lines come closer, the line which inclines will be the other one and not one's own line. However, that is as may be.

Mr. KNOWLES: Is that what you were doing yesterday?

Mr. MACDONNELL (Muskoka-Ontario): Yesterday is past and we are down to serious things again. Yesterday was All Fools' day, and that includes everybody.

Mr. COLDWELL: Particularly those who voted the wrong way.

Mr. WRIGHT: Both ways.

Mr. MACDONNELL (Muskoka-Ontario): It is natural I suppose that I should seem to address some of my remarks mainly to the gentlemen on my immediate left. I do that with great respect, and I do it with the feeling that while our views differ very greatly, nevertheless we are pursuing the same objective, although we sometimes forget that. It is with that in mind that I begin.

I wish to begin by referring to certain views expressed by the leader of the C.C.F. party, because frankly I am puzzled from time to time as to what his actual view is on this important question. I want to read this sentence from what he said on a previous occasion—and I hope this will not be an infringement of the rules. I quote from *Hansard* of February 3 last, page 69:

> The struggle today is really between those who believe in social ownership and cooperative endeavour and those who believe in the continuance of the exploitation of the people by powerful groups of vested interests.

I regret the word "exploitation". I have looked it up in the dictionary in order to make quite sure what it means. The word "exploitation" has a sinister sense. It means that certain people are trying to take unfair and oppressive advantage of other people, and I shall have more to say about that. I wish to make it clear that I am not trying to gloss over the defects and dangers and failures of the system I believe in. Nevertheless I regretted that word.

I propose now to refer to another statement which the hon. gentleman made and which I suggest to the house and to him is a very different statement. I think I have him almost word perfect if I recall that he said in this house: "I do not object to private enterprise, but if they take the profits they must take the risks." I approve of that. I am not objecting to a single word in it. I wish to appeal to the hon. gentleman—and I shall not ask him to answer now—as to which of these two voices I should listen to. I am going to recall to him a saying which I looked up the other day. I have often heard the saying "to appeal from Philip drunk to Philip sober", but I never knew what it meant until the other day.

Mr. COLDWELL: Until yesterday.

Mr. MACDONNELL (Muskoka-Ontario): I allow the hon. gentleman to have his score. I looked it up the other day and found that it refers to an evidently famous incident in literature where Philip of Macedon had given a judgment on a certain woman and she said, "I appeal." The king, who apparently had been dining not wisely but too well, said, "You appeal to whom?" She said, "To Philip when sober." And apparently her appeal made when he was sober was successful. I am now going to appeal to the hon. member for Rosetown-Biggar (Mr. Coldwell); and when I say intoxicated of course I mean merely with the exuberance of his own thoughts, but I am going to appeal to him in that quality, to what I consider the sober quality in which he uttered the words, when he said he did not object to private enterprise but if they took the profits they must take the risk.

I now wish to come to his colleague, who is not here today but at present is flying somewhere on the way to Vancouver, and I hope high up in the air over the Rocky mountains. He spoke last night and I think he made too good an argument against freedom; and when I say "freedom" may I there say freedom cannot be absolute. What we want is as much freedom as we can have. We start from that point of view, recognizing at the same time there must be some regulation. I take it also that when we talk about a fully planned economy what we have in mind is the people who would like planning and want as much planning as possible and will only leave that area of freedom which is over after there is as much planning as they consider wise.

As I was saying, I think the hon. member for Vancouver East (Mr. MacInnis) last night made too good an argument. First of all, he talked about "cut-throat competition"; then he went on to talk about "exploiting". I suggest you cannot have it two ways. If you are going to have cut-throat competition, surely that very phrase means that you are going to get the advantage that we say comes from competition. You are going to get low prices. I am not forgetting that cut-throat competition can in the end by a process that sometimes happens lead to monopoly, and I will have something more to say about that later. But I still say the hon. member made too good a case when on the one hand he decried cut-throat competition and on the other hand went on to talk about exploiting. You cannot have it both ways at the same time.

Then he went on to another thing which I do not think he really meant. He said that we in this party—and this is often said—are intent on going back to those conditions which brought tragic results before the war. I think that is what he said; I took it down at the time. I do not think he meant that. I do not think anyone in the group to my left means that we, more than anyone else, want to go

back to those conditions. We admit the evil of those conditions; but that is being used as a convenient thing to throw at us, and therefore I am going to make just two comments about it. I am going to remind people of two things, first of all that we were not responsible for those conditions. I am not going to suggest who was responsible. Perhaps it would not be unfair to say that in the gay twenties governments were inclined to believe that booms could go on forever, just as private individuals did.

I am not going to say anything more about that except that I think during those years the leader of this party, Lord Bennett, who was in power then, tried courageously to meet difficult and unprecedented conditions and did devise schemes which, though perhaps not perfect, in the years succeeding were in effect followed, with adaptations if you will, and that he did break the ground with courage and energy in trying to deal with a situation which had never been foreseen and which was extremely difficult. While commenting on that point I should like to say that when people say we want to go back to the conditions of the thirties, that is a very unfair thing because we accept, as everyone accepts, the fact that there have been great changes since that time.

What have been the changes since then? I shall mention two or three. In the first place we have grown to accept a measure of social security and social services that was not accepted then. Second, we have grown to accept the measure of taxation which is necessary to maintain those social services. Third, I would point out—and I go back to what I said about freedom—that freedom is never absolute. The other day our own party went on record in favour of certain floor prices. We recognize that in the thirties the farmers were left exposed to the full force of the blizzard while other people were able to get some shelter, at any rate. Therefore, as I say, when anyone suggests that we are prepared to go back to the conditions of the thirties, in my opinion that is a very unfair statement and one which should not be made.

Mr. KNOWLES: We claim that would be the effect.

Mr. MACDONNELL (Muskoka-Ontario): I doubt if everyone to my left is quite as careful as my hon. friend in the statements he makes, or rather in the statement he makes now.

Then I should like to turn to this question of planning, because I think I can understand why planning is attractive. But let us bear in mind that it is planning for other people that is attractive, that there is not so much attraction in having other people plan for us. I think it very important to remember that. Last evening I believe the hon. member for Vancouver East (Mr. MacInnis) had that in mind when he made what I think was a very wise statement in regard to planning. At page 1946 of *Hansard* he said:

> We all object to interference with our freedom. I do; indeed, if there is anyone who likes to have his own way more than I do, I should like to meet him.

I thought that was a very sound observation on the part of the hon. gentleman. I was reminded of the story with which no doubt all hon. members are familiar, of the Irishman who was having the judgment day expounded to him. After it had been explained he asked, "Well, will the Murphys be there?" He was told, "Yes, they will be there." He asked, "Will the O'Flahertys be there?" He was told, "Yes, they will be there." "Will all the Finnegans be there?" "Yes, they will be there." Then he said, "Well, I'm thinkin' there'll be mighty little judging done the first day." I thought that might be said in regard to planning and regulating the hon. gentleman, who today is absent.

I said I wanted to see if there was not some area of agreement, to see if these parallel lines could come together at all, because when we are talking about these matters which go to the very root of our economic welfare in the future I think it desirable that we should try, as far as we can, to talk the same language. I suggest that there is an area of agreement. I suggest, for example, that we will all agree and are all agreed that the tremendously important thing now is production. That is becoming a terribly commonplace expression, but let us remember that it was not always commonplace. Let us remember that we were suffering, or thought we were suffering years ago, from over-production. In that connection I want to read a sentence or two from the British white paper, because it is interesting I think, to have the case as set out by Mr. Attlee to the British people, and it is interesting to read the remarks he made which I think *mutatis mutandis* apply to us here. At the end of this long paper he has this to say:

> Apart from these special dangers—

Which he has outlined.

> —the great difference between our economic conditions today and those between the wars is that, for as far ahead as we can see, there will be a high demand for the products of industry. It would appear that there is no danger for many years to come that industry as a whole will have to work below capacity because of a falling off in the general demand for its products.

And later he said:

The problem of today is to increase production to fill the gap between the quantity of goods on the market and the amount of purchasing power available to buy those goods. We must remove the idea of spinning out production in order to avoid unemployment, or of restricting output in order to safeguard earnings. On the contrary, industry, employers and workers alike, must be ready to adopt every possible means of increasing production, secure in the knowledge that this does not carry with it any threat to employment.

I say I think we can agree on the question of production, and I come next to the question of incentive. That is not so easy; nevertheless I feel—and I have now in mind particularly hon. gentlemen immediately to my left—that particularly when you are talking to those who are farmers you are talking to people who do understand incentive, because after all if there is any man in the world who has an incentive it is the farmer, who works and gets the fruits of his own labour under his own vine and fig tree. Therefore I suggest that when farmers are thinking about this question of incentive they must have very much the same attitude as the rest of us; and I suggest also that when farmers are thinking about controls they should realize—and I think this is very important—that by far the greater part of their own economic life is lived entirely free of controls, that the only controls they seek, as far as I know, are controls in connection with prices and in connection with their own marketing. The great part of their life is entirely free of controls.

In connection with this matter of incentive I should like to read an extract from an article appearing in the London *Economist,* that great English liberal weekly. I always object to the fact that this fine word "liberal" has been appropriated by a political party. Today I was wondering if one could not accuse the Liberal party of something like grand larceny for having chosen this word, which is a fine and noble word, and put it to uses which even the Minister of National Health and Welfare (Mr. Martin) would not suggest are always fine or always noble.

Mr. MARTIN: May I respectfully point out that the hon. gentleman belongs to a party that once used the word "Liberal", but for some reason best know to itself, dropped it.

Mr. MACDONNELL (Muskoka-Ontario): We found ourselves in bad company, and thought we had better get away from it.

Mr. KNOWLES: You took the word "Progressive" from them.

[Mr. Macdonnell.]

Mr. MACDONNELL (Muskoka-Ontario): Oh, no; I think they took it from us. On this question of incentive I should like to read from an article called "The Carrot and the Stick", which appeared in the London *Economist.* I recommend it to everyone who has not read it, because it seems to me to go to the basis of these matters, and the paragraph I am going to read at least has this advantage, that it criticizes everybody right across the board, the government, employers and employees. It ladles out criticism indiscriminately. It says:

But the whole drift of British society for two generations past has been to whittle away both at the carrot and the stick, until now very little of either is left.

Hon. gentlemen will appreciate, probably, that the carrot is the incentive which comes from profit and one's own earnings, the stick is the incentive such as you have in Russia, which comes from fear of unemployment, or some other kind of fear.

An hon. MEMBER: Who is the donkey?

Mr. MACDONNELL (Muskoka-Ontario): We are the donkey. The article continues:

The rewards of success have not merely been shrivelled, they have been poisoned, since commercial success itself has been turned, in the eyes of wide circles of society, into a positive disgrace.

I should like to interject at that point a quotation from an English farmer. And I should think that my quoting from a farmer would commend itself to some extent. He has one or two things to say about industry which I have found most interesting, and which I should like to interject right here. This is what he says:

In fact, for some years now if a man dared to risk capital in any private enterprise he has been popularly and officially looked upon as a blood-sucking parasite, a regrettable but necessary nuisance, whose task should be made as difficult as possible. In short, the employer, as a member of the "boss class," must be hated and scorned, whereas the reformer or anyone whose job it is to inspect the employer's methods, is nationally applauded and respected. Yet I doubt very much whether a life spent in inspecting the work of other men is so wholly admirable.

And later on:

My point is that while the old system runs it is the members of the much despised and hated "boss class," who at their own risk finance, start, run, maintain and worry over productive enterprise; and that the reformer neither starts any business, runs one, nor risks any of his capital in one.

And I think at that point I might quote Mr. Churchill, who once made, as he so often did, an apt remark in this connection. He

said what we should complain about was not the man who makes a profit, but rather the man who does not. Because, he said, after all his business goes broke and he ceases to be an employer.

And now I go on from the *Economist*:

There is a conspiracy of labour, capital and the state to deny enterprise its reward. The state takes it away in high taxation. All economic progress is, by definition, labour saving; yet the attitude of the trade unions, successfully maintained, is that they will permit labour-saving devices only provided that they do not in fact save labour. Nor is the attitude of organized capital any better. The embattled trade association movement has had great success in building up a code of industrial good manners which puts any attempt to reduce costs and prices by greater skill or enterprise under the ban of "destructive competition." The industrialist who discovers a way of making better things more cheaply (which is what he is sent on earth to do) is deprived by the state of all pecuniary return and by his own colleagues of any social reward. Instead of a carrot he gets a raspberry.

And there is one further quotation from the *Economist* I wish to read:

Britain finds herself today between two great competitors both of whom, in their different ways, keep a sharp edge on the motives that lead to action. In the United States, glittering prizes have always been offered to the ambitious, and they glitter no less today. Some attempts have been made in America to encase the stick in velvet, but they have not gone very far. The difference in welfare between employment and unemployment, between success and failure, is still unmistakably sharp, and to offer to the incompetent the protection of restrictive practices is (with the time-hallowed exception of the tariff) contrary both to the law of the land and to the prevailing morality. The Soviet economy made an original attempt to do without incentives or sanctions, but it has long ago re-introduced them. Nowhere in the world today is a bigger premium paid for skill or intelligence or effort or (within the limits of a planned economy) enterprise. And nowhere, certainly, are the penalties of incompetence or laziness more sharp.

I want to come back now for a few minutes to these two kinds of economy, the so-called planned and the so-called unplanned. In the first place let me say that the idea that an unplanned economy is unplanned is sheer myth. Nobody believes that a business could last for one week if it were not planned. Every business is planned. The difference between the fully planned and what is sometimes called the unplanned economy, or what I call the private enterprise economy or the free enterprise economy, is this: it is the difference between a few people planning for all, with thousands and thousands of officials and people planning for themselves—and it will be noted that I am not using the word "bureaucrats".

Mr. ILSLEY: It is an improvement.

Mr. MACDONNELL (Muskoka-Ontario): They have thousands and thousands who come under them to carry out their will.

I should like to give some figures I have here to show what has happened in England in that respect. In England apparently civil servants increased in number from 1,450,000 in 1939 to 2,130,000 in 1946. And I should like to remind hon. members of the remark made in the house not long ago by the hon. member for Stanstead (Mr. Hackett) when he pointed out that this huge mass of officials has invaded office buildings in a flood, so that not only are they themselves withdrawn from useful work, but they are actually an obstruction to other people who hope to do productive work.

Mr. COLDWELL: How many of those officials are there because of the war?

Mr. MACDONNELL (Muskoka-Ontario): I cannot answer that.

Mr. COLDWELL: Because our own figures have gone up, too.

Mr. MACDONNELL (Muskoka-Ontario): Yes, and I am glad my hon. friend mentioned that, because our own figures have gone up enormously. I believe they have gone up, roughly speaking, in the civil service, from 75,000 to 150,000. And I think that does not include special boards.

Mr. McCANN: It is 133,000.

Mr. MACDONNELL (Muskoka-Ontario): We should have had that figure before, because we have not heard it up to now.

Mr. McCANN: That is the official figure from the bureau of statistics.

An hon. MEMBER: It does not take into consideration crown companies.

Mr. MACDONNELL (Muskoka-Ontario): As I said, in the fully planned economy we find a few people at the top and a mass of civil servants to carry out their will. That implies two things; it implies, first of all, that you have comprehensive wisdom at the top, which, I maintain, just does not exist. And secondly it means that when you have that planning at the top, you must have your planning carried out.

For instance, if certain decisions are arrived at regarding labour, then I think it is quite clear you cannot have collective bargaining in force. There may be some question raised as to that, but that is my belief.

From what is happening in England, a country which we think of as the home of freedom, I think it is clear that you have

there today a situation under which, unless you are a member of a trade union—and not only of a trade union, but one of the trade unions which is right inside—you are in an invidious position. I note that an hon. member shakes his head. I must frankly admit that I was greatly surprised, and I cannot give proof of what I say. All I can say is that I have asked serious people if that is so, and they have told me it is so, and that we have now, even in free England, a situation which we think of only in those states which we regard as the home of tyranny.

I might digress by referring to the fact that an unprecedented thing happened in England a month ago during the crisis when the weekly papers were—I will not say banned, but they were told to stop publication. I hold in my hand the *New Statesman and Nation*. I believe it can fairly be said that it is a very strong supporter of the government. I would say it is far to the left, but this publication read the government quite a lecture. As to the ban it said:

> This suggests an attitude infinitely remote from present day realities. Lord Salisbury could afford to be as aloof as this; Mr. Attlee certainly cannot But even Lord Salisbury would not have gone as far as Mr. Greenwood—

One of the ministers.

> In reply to a question about the suspension of weekly periodicals he said: "I would not have thought that serious and enlightened opinion would suffer by having a fortnight in which to think for itself." The remark could scarcely have been worse. In the first place, it showed a remarkable indifference to the principle of the freedom of the press, and secondly, it implied that it did no harm to leave educated people without the facts and arguments on which to form an intelligent opinion.

I have rather digressed there, because it seems to me that when you will certain things, you will the consequences of those things. And when we start out with planning, it takes us a long way.

Let me give an illustration we ran across the other day in the banking and commerce committee. Incidentally I might say that the officials I met created a favourable impression. I should like to give an instance of just what happens and how far people can go. We had a case raised there where steel was being rationed for export. There was not enough to go round and the companies were being given only enough to make a kind of token export in order that they might be in position to keep their foreign connections. One company was denied steel, and the basis of that denial was perhaps plausible. It was considered that their form of manufacture was not likely to be long continued because they were selling to Holland and it was thought that purchases by Holland might not continue very long because we had made a loan to Holland and they were buying with the proceeds of that loan. Another company was allowed to export. The officials were quite frank about it, as I say, and they put forward an argument which was interesting and which you could not brush aside.

My only point is this: When you start planning, where do you go? It seems to me that inevitably you drift into the position where you must begin to play the part of Providence. Several times within the last couple of days we have heard the phrase "orderly decontrol". I think that is a reasonable phrase, but we have also heard the phrase, "we must not decontrol until all risk is removed." I do not think the minister used that phrase, but it has been used. The officials get that idea and I think it is inevitable that they should. I am just pointing out that when we start this planning business we start on a path which takes us far.

I want to mention another place where it takes us, and in this connection I intend to read an extract from the report of the war-time prices and trade board. We come to the point where we are making criminals out of our citizens. That is another thing we should have in mind. The Minister of Finance (Mr. Abbott) ruined one basic part of this speech by announcing yesterday the decontrol of prices on used motor cars. I sent him a note of remonstrance and told him that I thought he should delay it. However, I am not going to hold a grudge against him but I admit this part of my speech would have been much better if they were still under control. However, they were under control at this time yesterday. At least, we did not know that they were being decontrolled; only the press knew that.

I want to read this, and I am very serious about it because it just shows where we go when 51 per cent of us undertake to invade the rights of the other 49 per cent. People will say, "Do we not invade their rights in the matter of education; do we not invade their rights in the matter of tariffs?" My answer is, "Yes, we do; you have to have a tariff. You cannot have every one making his own tariff." The hon. member for Rosetown-Biggar (Mr. Coldwell) shakes his head there, but we do have to have a tariff. While you and I may not agree about it, we have to work under the same tariff. If 51 per cent vote for it, we have to have it.

Then we have to send our children to school. No one will object to that except a few cranks. I suggest that the reason free institutions have been maintained in British countries so much longer than anywhere else is that we have not invaded the people's rights any more than we have needed to. We have left them as much freedom as possible. I would commend this argument to you by just reading a paragraph from the report. I suggest that this shows what happens or what may happen every time we begin to control. Every step we take in the way of control leads us into so much of this sort of thing. This reads:

> The price ceiling on used automobiles has proven extraordinarily difficult to enforce.

I would think it would. I think I am a law-abiding man and I am a rather timid man. I think even if I had wanted to sell my old car I would not have done it, and that would have been partly out of fear. But I can imagine the ordinary citizen asking himself why in heaven's name he should not be allowed to sell his used car. Why it should be regarded as a necessity which should be controlled has never been clear to me. However, it is not controlled now and I will say no more about it. This continues:

> The demand for automobiles has been exceptionally heavy and the production of new vehicles to supply that demand has been so beset with shortages and other difficulties that the demand has pressed heavily on the existing supply of used automobiles. Enforcement problems here are concerned not only with organized gangs but also with the irresponsible "fly-by-night" type of illegal dealer and with the private individual who attempts to obtain an excessive price for his own automobile.

I suggest that hon. gentlemen consider where they have to go once you get into controls. Let me quote the last sentence, which reads:

> All types of alleged offenders must be checked if the prices of used cars are to be controlled, yet the number of sales of such vehicles is so great that it is almost impossible to keep up with the work of investigation and prosecution.

I was going to say persecution, but it is prosecution. I submit very earnestly for the consideration of this house that that is a relevant matter. I go back again and say that when you have these controls, they have to be enforced or it makes a fool of every one. That is a matter for consideration.

I want to say a word about the planned economy I have tried to picture, this over-all planning with its thousands of thousands of officials which enter into the people's daily lives. I understand that Mr. Strachey said the other day that this justified the use of something like *agents provocateurs* in order to find infractions of the regulations. It is reported that he said that that was justified I suppose when you get into this business you have to be efficient. If you are going to control people, you have to control them and you have to do the things that are necessary. No doubt that is the answer that will be given. That is one side of the question.

The other side is that people are trying their best to produce. I was shocked the other day when the hon. member for Dauphin (Mr. Zaplitny) made the remark that he did not think the manufacturers were interested in production, they were just interested in profits and money. He gave a very harsh and unflattering picture of our manufacturers. I put it to hon. members here in this house; is that a true picture? Is this a group of people who somehow or other are so different from the rest of us, who are so wicked that they are pursuing a life which is reprehensible to all the rest of us? I suggest that that picture is exaggerated.

Mr. ZAPLITNY: I did not call them wicked.

Mr. MACDONNELL (Muskoka-Ontario): I am only interpreting what the hon. member said, but he did say that the manufacturer was not interested in production. I have had a fairly considerable experience with business men and I would say that the ordinary business man is interested primarily in doing a good job. He is interested in making profit, of course. I remember one business man who was doing a very good job. He was turning out the best article he could at the lowest price. He used to say that profit was a by-product, that if a man did a good enough job and did it well enough, he would make a profit. That man was interested primarily in doing a good job, and I suggest that that is true of most manufacturers.

Another great advantage in carrying on privately is that they find out if they are wrong. These men are checking each other. We talk about the profit system, but it should be called the profit and loss system. It has been said in this house that the manufacturer fixes his own prices. He does nothing of the kind. If he fixed his own prices, would there be the failures we see at every turn? Of course there would not. As long as there is competition he does not fix his own prices. I will come back to this question of competition, but I see my time is running out and I must hurry on.

I do not want to sit down without doing justice to the point which I said I would try to do justice to, and that is the failures on the part of the private enterprise system. I

know that competition is often blunted; I know that there are such things as price agreements; I know that there are such things as near-monopolies. I say, and I wish that every business friend of mine could hear me say, that we who believe in the private enterprise system have to see that there is real competition, and we should be prepared to say that in these cases—there are some, such as the telephone business where a monopoly or a near-monopoly is probably the sane and sensible thing—there should be regulations. We cannot have it both ways.

I wish to say also that I think we should be assiduous, astute and careful to find every way we can to produce real competition. I am not denying that it is not difficult. I am saying that those of us who believe in competition, must accept what I think Herbert Morrison once said in England: "We want private enterprise, not private unenterprise." Those of us who believe in competition should agree with that. I agree with it.

The other day I was struck by a speech of the late Sir Alfred Mond, which he made in the British House of Commons twenty-five years ago in an interesting debate with the late Right Hon. Philip Snowden. I commend it to hon. members. He said he had been told by an American business man when speaking of the efficiency of large combinations, that when one of them was unscrambled into its relative parts the relative parts had been able to do a more profitable job than had been done before; they were more efficient because they got rid of the deadening red tape and the overhead which were involved in the huge combinations. I was interested in that; and the other day I was interested and pleased to read that cost figures do not show that the largest companies have the lowest cost figure. I read a responsible publication—I am sorry I have not it here today—which showed that cost figures would indicate that it was the companies of moderate size which had the lowest cost. Therefore I say that there is no reason for those of us who believe in freedom, those of us who desire the largest possible area of free economy in the country, to feel that it cannot be efficient. If you look back on the record I suggest that any fair-minded man will admit if it can be kept free, if we can have competition, if we can have a system whereby individual energy and all the other incentives that can be applied, can be brought to bear and put to the fullest use along with regulations where they are necessary, that is where we get the incentive; that is how we shall get the production; and then we shall get the social security that we all desire.

[Mr. Macdonnell.]

Mr. BONA ARSENAULT (Bonaventure): We have listened to an able speech from the hon. member for Muskoka-Ontario (Mr. Macdonnell), but I am afraid that it is pretty hard for me to share some of his views on the subject. Last week the hon. member for Stanstead (Mr. Hackett)—I am glad to see him in the house this afternoon—challenged Quebec members representing rural constituencies to accept the control policy of this government. I am proud to say that I was one of those who rose and accepted the challenge, and I am glad to be permitted today briefly to express my view on this measure which provides for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

In spite of what we have just heard from the hon. member for Muskoka-Ontario, I am one of those who firmly believe that the Canadian people do not want to go back to the year 1921 and its wholesale price index of 225 with the cost of living index at 200. The Canadian people know that we cannot go back to 1929 and its miserable crash; that we cannot go back to the thirties and that awful period of economic crisis, of total unemployment and of shameful starvation for tens of thousands of Canadian people in a country of plenty. The Canadian people know that we cannot go back even to the year 1939 with its 700,000 unemployed Canadians. Therefore I am one of those who firmly believe that the horse and buggy days are over. If we are not to go back to these tragic years, then the hon. member for Stanstead or any of his colleagues who oppose this measure will have to devise a better means than that provided in this bill in order to protect the interests of the common people of Canada before I am convinced—and that also applies to my constituents—that I should not heartily support this bill. Whether we like it or not, that means holding on to the controls, and holding on to them as long as is essential for the common good of the Canadian people.

I will go farther than that. Not only does it mean the retention for the time being of such controls as we know to be beneficial to the Canadian people in order to hold and stabilize our post-war economy, but in many cases it also means the reimposition of some of the controls which have been lifted. I shall go still farther—and I am in good company, along with the hon. member for Quebec South (Mr. Power) and many other hon. members—and say that I believe it is possible—it should be possible—to devise some means

whereby we shall never return to the old system of control by private enterprise to the detriment of the common people of Canada.

What is worrying me today? It is not the control bill; not at all, but the very fact that this government is shifting too fast from second gear to high gear in its decontrol policy. I am afraid, Mr. Speaker, that there are too many obstacles on our economic highway to justify too much speed. What is worrying the householders of Canada today is not this bill, but the very fact that a higher cost of living is around the corner. And higher costs of living will follow decontrol measures such as those announced in the house yesterday. I am afraid that a further rise in prices is inevitable. In many cases decontrol means higher prices and higher prices mean hardship, particularly in the lower income bracket.

Hon. members are aware of the fact that that is a consequence which may follow in years to come. World-wide shortage of basic materials and foodstuffs limit the supplies of commodities available in Canada. The immediate removal, such as suggested by some opposition members, of such controls would ensure inequitable distribution of goods and foodstuffs throughout our country and would overnight create dissatisfaction, confusion, if not disaster, and chaos in Canada. The needs of thousands of Canadians would not be met, could not be met. Hardship and a sharp reduction in living standards would follow. Of course, big business would speculate on the necessities of life as they did in the past, to the detriment of our farming, working classes, white-collared workers and other fixed wage earners. For example, if today rent and eviction controls were lifted, what would happen? We all know that there would be almost a revolution in Montreal and in other large cities of Canada.

It seems perfectly clear that the immediate removal of controls on a great number of commodities and manufactured goods would involve a disastrous price increase, which perhaps would meet the approval once again of big business but would surely not be to the advantage of the Canadian consumers. Scores of examples could be given, but I do not want to delay unduly the proceedings of the house. Take, for instance, milk. Milk was under government control and has now been transferred to provincial jurisdiction. That very fact contributed to a rise in the price of milk from ten to fifteen cents a quart in the province of Quebec, which means from $8 to $9 a month for every working-class family in the cities of Quebec using from six to seven quarts of milk a day. Nine dollars a month means something to the working man's budget when the cost of living is already so high.

What is happening in gasoline? The government had control of this commodity and it was transferred to provincial autonomy. The automobile owners of the country entertained the hope that the three-cent war tax would be lifted, that they would be relieved of that burden, but that was just wishful thinking. That tax will remain. The government have not even withdrawn from that field. The provinces jumped on it and made it not a temporary wartime tax but a permanent tax. Federal respect for provincial autonomy, I contend, at least with regard to milk and gasoline, did not bring much relief to the Canadian people in the form of dollars and cents.

What about maple syrup? When this government controlled maple syrup you could buy the syrup last year at $3.15 a gallon, and now we are asked to pay from $6 to $9 a gallon, an increase of from 100 to 200 per cent. These are not bed-time stories; they are the plain truth. This is the situation as we size it up today. And what is the result? Instead of contributing to the relief of thousands upon thousands of Canadian families, who are suffering from the sugar shortage, the bulk of our production of maple syrup is exported to United States tobacco manufacturers and candy shops.

Mr. HACKETT: Does the hon. member deny the farmer of the province of Quebec the high price he is getting for his maple products?

Mr. ARSENAULT: That is beside the point. I certainly do not deny the farmers of the province of Quebec a fair return for their product, but I will deny anyone, whether it be a farmer or a trust of any kind, the right to take advantage of the present situation; and, as regards maple syrup, I think that if the price is not stabilized at around $4.50 a gallon very shortly, then this government should step in and impose a ceiling so as to regulate the export of that commodity.

Mr. HACKETT: Don't worry. They will not do it. There are too many constituencies that produce maple syrup.

Mr. ARSENAULT: Do you think they should do it?

Mr. HACKETT: No, I do not.

Mr. ARSENAULT: All right then. I will give one more example before I resume my seat. The automobile retail trade is passing through a crisis at the present time, particu-

larly in the city of Quebec, in the district of Quebec and throughout the eastern part of the province of Quebec. As the Minister of Reconstruction and Supply (Mr. Howe) admitted last night, there is a black market with wide ramifications throughout the province of Quebec and throughout the country, and it has reached the point where they are controlling the sales of used cars and, I will add, of new cars, which item was overlooked by the minister yesterday, more efficiently than the manufacturers and the dealers themselves. The way to secure a new automobile promptly is not to go to the dealer and have your name put on a waiting list, but to go to the black market and pay $500, $600 or $800 more for a new car. If you do that you can come back with a new car. Priorities on retail sales of automobiles have been abolished by the government, having been left to the good will of the automobile dealers and manufacturers, with the result that today we are at the mercy of a huge black market.

I heard the other day in this house that if this government lifted all controls overnight the law of supply and demand would work out all right. Well, it just does not work. It is the law of the jungle that prevails in too many instances. Automobile manufacturers find it more profitable today to export a substantial part of their production, leaving the Canadian people in a mess. The official figures show—and I have them here—that during 1946 Canadian exporters shipped abroad over $78 million of new passenger cars and trucks. Where were these cars and trucks shipped to? To British East Africa, British South Africa, Southern Rhodesia, Gambia, the Gold Coast, Nigeria, British India, Hong Kong, Australia, New Zealand, Belgium, France, China. The Netherlands, Portuguese Africa and a dozen other places.

I know many veterans wearing medals on their chests who are denied the right of purchasing a new car, in our district at any rate, in the eastern part of the province, notwithstanding that a car is the only means whereby they can earn their living. Over 40,000 trucks and over 25,000 passenger cars, have been shipped to these countries, but you cannot get a car in Quebec city, nor can you get one either in my constituency or anywhere throughout the district of Quebec at the present time. Almost two years have passed since we emerged from the war, but there is not an automobile available for any Canadian who needs one in order to earn his living, unless he is prepared to pay hundreds of dollars above the ceiling price, or is willing to have his name placed on a dealer's waiting list bearing already 500, 600, 700, or 800 names.

[Mr. Arsenault.]

It is time these conditions were put an end to, and there is only one agency in Canada that has the right to put an end to them. That agency is this government. If the automobile manufacturers—and this is my last example—continue to disregard the interests of the Canadian people to the extent indicated, then here is another field where this government should obviously step in and again reestablish some sort of system of priorities, or apply a rigid control over automobile exports, if not an embargo, until this trade is brought back to normal. It should take the necessary steps to stop what I would call the shameful and harmful exploitation and profiteering which now exist in automobile marketing as a result of the lack of control.

The hon. member for Stanstead challenged us the other day. Would he or any of his colleagues now rise in the house and declare that there is not any more need for beneficial controls such as those covered by this bill? I do not think he will. My job here, Mr. Speaker, is not to fight the case of automobile manufacturers, to fight the case of Canadian manufacturers or to fight the case of monopolies or big business. My duty is to further the interests of my constitutents and, in a general way, those of the Canadian people at large, which I am doing in supporting the government's control policy provided by this bill.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, the bill which we are considering is a trespasser upon provincial jurisdiction unless a national emergency can be established. That is, I believe, common ground to the Liberal party and to mine. It raises an important question, the existence of a national emergency. I do not wish to draw into the debate the statement made by the Minister of Justice (Mr. Ilsley) the other day, for other than one purpose. In the course of the debate the Minister of Justice said, as reported at page 1554 of *Hansard:*

> . . . it appears to me that the true effect of the decision in the Canada Temperance Act case is that there does not have to be an emergency to found jurisdiction on the part of the dominion; that the dominion may have the power, even when there is no emergency, to legislate for the peace, order and good government of Canada, even though its legislation touches upon matters ordinarily regarded as solely within the provincial jurisdiction.

It is true that on March 24, in answer to a question addressed to him by the hon. member for Outremont (Mr. Rinfret), the Minister of Justice did say:

> Our emergency legislation is based on the existence of a national emergency arising out of

the war, on the emergency doctrine, to which no one takes any exception either in this house or outside it.

I agree with the minister that the existence of an emergency doctrine is admitted, but whether or not a national emergency exists on to which the doctrine may be fitted, is another question. The statement of the minister is relevant to the discussion because it establishes that, in his opinion, a national emergency is not necessary for the invasion by the dominion of the legislative field which, in normal times, is reserved to the provinces.

Mr. ILSLEY: That statement would have to be taken with all the qualifications appearing from the deputy minister's opinion, because that was part of my statement.

Mr. HACKETT: I do not wish to put anything into the mouth of the minister. I do not wish to draw from anything that he said any inference which might even savour of unfairness; but I understood the minister to say that it was his interpretation of the Canada Temperance Act case and his belief that the dominion might invade the provincial field of legislation for reasons other than an emergency.

Mr. ILSLEY: No, not any reason.

Mr. HACKETT: I will agree that he did not say "any reason".

Mr. ILSLEY: All I am saying is that to take one sentence out of its context is unfair, and that the whole statement, including the deputy minister's opinion, must be read in order to give a fair report of what I said.

The ACTING SPEAKER (Mr. Golding): Order. I think if the hon. member is going to deal with the statement made on March 15, he will be out of order. But if he deals with the statement which was made on March 24, that will be in order.

Mr. HACKETT: I will deal with whichever statement pleases you, Mr. Speaker. I wish to say to the minister now that, however much I might in the heat of political controversy wish to score on somebody, I do not wish to do that—probably I could not anyway—in this instance. I do not wish to take out of the minister's speech a phrase, a paragraph or a page that may reflect an opinion which is not his. I have read his remarks not once but many times. Having scrutinized them with the utmost care, I interpret his speech as a whole,—and I will not worry him with half a dozen quotations, which I have here in my hand and could give him,—and it left me and the house under the impression that in his considered opinion a national emergency is not a condition *sine qua non* to the invasion by the federal government of the provincial jurisdiction.

Mr. ILSLEY: I was merely presenting to the house what, in my opinion, that case decided; that is all.

Mr. HACKETT: I agree with what my right hon. friend says, and I am not attempting to go beyond that. I am merely attempting to lay before the house the point of view of the right hon. gentleman who is the conscience keeper of the government. The Minister of Justice is the legal adviser of the government, and different members of the cabinet go to him in their perplexities for enlightenment and direction. I submit the fact that the right hon. gentleman holds the views he has expressed in the house, and believes as he does that something other than a national emergency warrants the invasion of the provincial field by the dominion, must necessarily have its bearing upon the attitude of the federal government toward the invasion of that provincial field.

I want to say, Mr. Speaker, that there has been a progressive advance by the federal government into the provincial field. It is reflected in many areas. Primarily and above all it is reflected in the disunion and conflict which exist at the present time between the dominion and the provinces. But it is reflected elsewhere. May we consider the War Measures Act, chapter 206 of the revised statutes. This act provides that, during a period of war, invasion or insurrection, real or anticipated, the federal government may invade the provincial field and the governor general in council may take over legislative powers otherwise denied to him. But that there should be no misunderstanding as to the limits of time within which these extraordinary powers could be exercised, after they had been first limited by section 2 of the act, section 6 goes on to say:

> The provisions of the three sections last preceding—

Those are the sections which enable the governor in council to exercise the unusual powers.

> —shall only be in force during war, invasion, or insurrection, real or apprehended.

We have the additional section to make it certain that this invasion of the provincial field shall cease when hostilities cease. Parliament was summoned in September, 1945, and on December 8 the National Emergency Transitional Powers Act, 1945, was given royal assent. Here I take issue with the right hon. gentleman. He says in his speech that these extraordinary powers conferred by the War

Measures Act were curtailed by the act of 1945. In my view they were extended. They were extended as to time; they were extended as to the area within which they might be exercised, and they were greatly increased and broadened. That act contained a limit on the duration of these extraordinary powers. It said these extraordinary powers should not be exercised by the governor in council after December 31, 1946, if parliament sat in the months of November or December, 1946. If parliament did not sit in either of those months, however, the exercise of these powers should terminate fifteen days after parliament met in 1947. On one of the last days parliament sat in 1946 an amendment was introduced extending the period within which these extraordinary powers might be exercised until sixty days after parliament met in 1947. Parliament met on January 30 of this year, so that the period would have expired on March 29 or 30. The act contained a provision that the period might again be extended by an address. This address was adopted, and, as matters now stand, these powers are susceptible of enjoyment until May 15, which, if my memory serves me well, will be more than two years after the termination of the war with Germany.

In the meantime parliament dominated by the government had imbedded in a number of statutes extraordinary powers which are susceptible of exercise by the governor in council for periods varying from one to a number of years; in some instances no time limit was placed upon them. As examples, I refer to the crown companies act; to the legislation by which the government took a monopoly over aviation and out of which it sidled a little later on; the act by which it took over the manufacture of aeroplanes, from which at a cost of untold millions it withdrew the other day, in a way which, despite the statement of the Minister of Reconstruction and Supply (Mr. Howe) has not yet been satisfactorily explained to the house. There was also the seemingly innocuous measure by which supplements to the contracts of postal carriers were to be paid, which gave the governor in council the right to rewrite contracts for the carriage of rural mail, and this under national emergency legislation. Then the Canadian Wheat Board Act was amended. I shall not dwell upon it beyond referring to the extraordinary powers with which it vested the governor in council. That great commodity grain, the greatest single commodity produced by the greatest single class in the country, has been placed under the monopoly of the government, under the dictation of the governor in council, without, be it said, any appeal as of right to the courts of the land. Then we have had the act for the sale and export of agricultural products. I have not any doubt that there are a number of other instances. I recall the Patent Act, for instance, under which, in certain circumstances, the governor in council is given the right to expropriate patents. People come to this country and confide in us. They give us their secrets, under the Patent Act; and, forsooth, upon the recommendation of the governor in council we may expropriate that property for the benefit of the crown.

I mention these facts merely to show that there is a growing tendency on the part of the government to arrogate to itself the right to legislate for the people of Canada, and that the tendency to trespass upon the provincial field, the tendency to invade the realm which is sacred unto the provinces is progressing, and is rapidly gaining ground.

I listened with some interest to the hon. member for Bonaventure (Mr. Arsenault), who made some references to prices of maple syrup, milk and automobiles. But that gentleman entirely overlooked the fact that some eighty years ago the provinces of what is now Canada came together and entered into a solemn pact, by the terms of which certain rights, certain prerogatives, were reserved to the provinces. And had it not been that a complete understanding and agreement was arrived at between these contracting parties, there could not have been a dominion; there could have been no Canada.

We have agreed that, in the event of a national emergency, certain extraordinary rights might be vested in the dominion, in the federal authority. It is wrong to kill; and if a man wantonly kills a fellow man he is hanged for it. But if he kills in self defence he is justified. To apply a principle somewhat akin to that, when the life of a country is threatened, when its very existence is in the scales, then there emerges the overriding principle of self-preservation which obliterates contracts and constitutional safeguards; then the great elemental doctrine of survival overshadows for the moment those lesser contingencies which are the basis of our national life. Just because it has been the ill-fortune of the generation which is so abundantly represented in this chamber, to have witnessed two such great cataclysms; to have seen the life of our country twice imperilled, and to have seen the invading hordes almost at our gates, and because to resist those perils we have found it necessary to take administrative shortcuts

to muster our strength to repel the foe, is hardly a reason to perpetuate them long after those perils have passed.

I come now to the speech of the minister. He has said that the reason which justifies the dominion in its invasion of the field of the provinces is to be found in his speech. I endeavoured—and here I shall pause just to open a parenthesis to say that when hon. members opposite say the party to which I belong voted for the resolution on which this bill is founded they are stating something that is not at all in accordance with the facts. No member of this party voted for the resolution. I think the minister will agree that the questions we asked were appropriate. They were questions to which answers were due. Questions were asked to which answers were given, although they were not entirely satisfactory in every instance.

Speaking to the resolution, the minister referred to conditions which, he said, constituted a national emergency. There are three or four of those references about which I shall say a few words as I go along. One of the grounds of a national emergency to which he referred is that of housing. Then he made reference to rental controls. May I say in passing that I am a believer in private property. I believe that the owner is entitled to the use of his property, and to its administration.

The government has attempted to provide housing; and many people have reached the conclusion that it has failed in its attempt. In fact many have said in the house—and have advanced solid arguments and many facts in support of those arguments—that had the government refrained entirely from its attempt to provide housing, more houses would have been provided than the government has found it possible to provide.

The government is attempting to provide houses on an uneconomical basis, which means that at least some of those houses will be occupied by people who will not be paying for them. They will be getting something for nothing from the government and to that extent they will be subject to the government's whims and good will, because like accommodation for the same outlay will not be available elsewhere. Rent controls keep owners out of their properties and frequently keep people out of an occupancy to which they are entitled. They may have been absent at war or they may have been called away to other fields of activity, but when they come home they want to get into their houses. The government seems entirely to overlook the fact that nobody wishes these houses to be vacant. There would be just as many people in these houses if these controls were removed as there are now; the only difference would be that the people who would occupy them would be either the owners or tenants occupying them with the consent of the owners instead of the controller.

I have more confidence in mankind; I have more confidence in the generosity and good will of people than has the government opposite which paints such a dark picture of all the horrors that will occur should people be allowed to have their properties and enjoy them as they always have in the past. It is the full application of the principle of private property that has made Canada diminutive as she is in numbers, the powerful entity that she is today in the concert of nations. It is because we have respected the rights of the citizen that we are looked upon as the haven and the refuge of peoples whose lives have been trampled upon. I do not believe that many would be harshly treated were all of these restraints lifted.

The other day I heard a many say, "If I am allowed to raise my rents twenty per cent under control I must do it because, I do not know what the controller will do to me the next day. However, if controls were off I could protect a good tenant. I carried some of my tenants for five or ten years during the period of depression, for no rent in some cases and at reduced rents in all." I have more faith in the generosity of the Canadian people than have the gentlemen who occupy the treasury benches. I believe if we go back to a reign in which people can give some scope to their humane tendencies and their kindly feelings instead of being under the lash of some, I was going to say of a bureaucrat—I do not use the word in any other sense than its dictionary meaning; that is someone in government office; someone who cannot know the circumstances of each case but who has to act by a rule which has no universal application—we would be much better off.

If we could free ourselves once again from the restraints which have been placed upon us we would have found a remedy for three-quarters of the ills from which we suffer.

I go on now to deal with some other alleged reasons for maintaining controls. . The right hon. gentleman referred to inflation. That dog has chased us a long way, but I do not know that it has bitten anybody seriously as yet. Our money is not as good as it was. Why? Because it has been diluted. I am not going to bandy words with the right hon. gentleman as to what inflation means. He talks of these matters in language which I am unable to follow. But the fact is there.

We have been through a great ordeal, an ordeal which has tested our soul, our every resource and energy. We have paid for it in blood; we have paid for it in sacrifice; we have paid for it in treasure.

One-half of the actual cost of the war has been paid out of current taxes; two-sixths have been paid out of borrowings, and one-sixth has been paid through the depreciation of our dollar, call it inflation or whatever you will. We got that one-sixth from the Bank of Canada and from the chartered banks. It was, to put it baldly, obtained by the use of the printing press. Our dollar does not buy what it used to buy; our dollar cannot buy what it used to buy, because it has not the inherent worth and value that it had before it was diluted. I think that is something that everybody understands, and when we talk about increased prices we must take that fact into consideration. The minister feared that the cost of living might increase if controls were removed.

In determining the cost of living, whether we will or not, we must take into consideration the total of these subsidies, whether they be $600 million, whether they be $800 million or whether they be $1,500 million. This has not been done. These have resulted from our activities; these have resulted from our way of financing this war; they are burdens which have reduced our resources and which have resulted necessarily in higher prices and in higher costs, expressed in the Canadian dollar.

I wish to submit that there is no national emergency at the present time. Our fighting forces are home from the front; they have been brought back and they have been disbanded and dispersed. They have found gainful occupation. Our great industrial machine which for five or six years was devoted to the manufacture of the munitions of war has been dismantled and dissolved. Many parts have been sold. The people who worked so valiantly, the men and women, the boys and girls, to produce munitions which were so essential to victory have taken up other activities and are now engaged in peaceful occupations.

I have here the whole story, but I am not going to worry you, Mr. Speaker, with all the details. I know that when I have completed this enumeration some hon. gentleman opposite will say that that is evidence of a wise and beneficent government, that it is evidence of the good administration that Canada is enjoying today. I do not wish to be disagreeable, but I believe that the prosperity which is ours today is ours despite the administration and despite its many errors.

Let us take bank clearings as an example. Bank clearings were greater in 1946 than they were in 1945. In the first two months of this year, 1947, they were even greater than they were in the first two months of last year. That is true of the combined bank clearings of Toronto and Montreal. Reports for the rest of the country are not yet available for the first two months of this year. Take bank deposits; they were greater in 1946 than they were in 1945. Take company earnings. Last year they were greater than they were in 1945. Take employment; it was higher in 1946 than it was in 1945.

Mr. KNOWLES: And so is the cost of living.

Mr. HACKETT: Yes. Take unemployment insurance; and I have the figures here somewhere if I can find them, which were published in this morning's press. This shows that the jobless insurance fund shows big gains. It says:

> Canada's unemployment insurance fund increased by more than $4 million in February, and payments made to unemployed workers "were considerably lower than in the same months last year," the unemployment insurance commission announced today.

Then they give the figures as approaching some $400 million in the coffers of that enterprise.

Mr. MARTIN: All of which adds up to good government.

Mr. HACKETT: May I say to the hon. gentleman opposite that the point I am talking to is not good government; it is not dollars and cents. The point I am talking to is the tendency of the government to destroy confederation, to trample on the rights of the provinces and to dissolve that partnership which was entered into eighty years ago. That is the point to which I am talking, and that is the point which has brought to a focus the disagreement in this family of nations which make up the Canadian people. It is that spirit to which the hon. gentleman has given utterance which threatens the very solidarity of our country.

I go on: foreign trade was greater last year than it was the year before; production was greater; carloadings were more numerous last year than the year before. I am aware that hon. gentlemen will say, "Oh, yes, but we have done these things." I admit that they have happened while the hon. gentlemen were in office. But again I would point out that if wisdom, if prudence, if respect for the lessons of the past counted with the cabinet as we hope it will always count with those who

occupy the treasury benches, their demeanour in the matter under discussion would have been entirely different.

The government says there is a national emergency; it presents as evidence of the fact a list of the articles which are still under control. I do not wish to be amusing; I turn to the items covering ladies wear. It is a long list, but it hardly creates a national emergency. I might turn to some agricultural implements that it is well that farmers should have. I might even condole with my dear friend the hon. member for Muskoka-Ontario (Mr. Macdonnell), who votes with me even when I am wrong, and say that I regret that he cannot now sell his old automobile at a high price since it was removed from control yesterday; but, Mr. Speaker, when we speak of a national emergency we are speaking of something that threatens the very life, the existence of the country. We are not speaking of some petty, puny, paltry expedient that may be resorted to to maintain a party in power or to meet the whim of some leader powerful in that party.

Mr. Speaker, the emergency which justifies the trampling under foot of a country's constitution is not a petty thing; it is something that is overwhelming; it is something that threatens the life and the soul of a nation. This long list of sundry conveniences and requirements laid on the table to-day does not represent the type of emergency that justifies the suspension of the constitution. Nothing less than the crushing hoofs of the horses of the Apocalypse, something like flood, famine, pestilence or war, can constitute a national emergency. Nothing else can justify the action the government has outlined in this bill. No such emergency is established by the list of petty wants offered to a sorrowing house late yesterday afternoon.

Mr. J. O. PROBE (Regina City): I have waited a long time, weeks now, to have an opportunity to present a few words on the subject matter under debate today, as to whether economic controls should be allowed to lapse or whether they should be continued. Like the genial hon. member for Bonaventure (Mr. Arsenault), who spoke a few moments ago, I wonder whether the Minister of Finance (Mr. Abbott) has taken more props from under our feet during the very time that we are debating the matter of continuing these controls.

This afternoon I listened attentively to able arguments by two of my hon. friends from the Progressive Conservative party. Personally I am happy to hear their policies so keenly expounded, even though their policies are not looked on by myself or my party with the greatest favour. I should like to say to the hon. member for Stanstead (Mr. Hackett) who argued, as no doubt a brilliant lawyer should, the case for discontinuance of controls on the ground of provincial autonomy, whatever that may happen to mean in a lawyer's vocabulary, that it seems to me it is a term which has been used to cover almost any legislation that he may want to oppose when he has no other reason to do so.

In suggesting that controls be discontinued, the hon. member for Stanstead made reference to the fact that we have not in this country an emergency such as that of war or of flood or of pestilence. The hon. gentleman with his background differs considerably with me because of mine. While in his own circle of acquaintances when there is not a war there may not be any emergency, I must say that during my upbringing from a child my family and my friends have always lived in a state of economic emergency from day to day. I think that is as important in their lives as is a state of war in the life of a nation. When that third or that half of a nation is facing daily calamities that are as serious to them as war is to a nation, to argue provincial autonomy to evade our responsibility is, in spite of the brilliance of the argument, an utter evasion of the case.

I was impressed by the hon. member for Muskoka-Ontario (Mr. Macdonnell), whose address is always interesting, and I wish to refer to one or two of the remarks he made. For example, in referring to my colleague, the hon. member for Vancouver East (Mr. MacInnis), who spoke yesterday and referred to cut-throat competition and monopoly exploitation, the hon. member for Muskoka-Ontario attempted to show that these two terms were contradictory to one another; that it was impossible to have cut-throat competition on the one hand and monopoly exploitation from the same source. I would point out to my hon. friend that while the two things may not be simultaneous they are definitely consecutive in the scheme of economics as it exists under what is called private enterprise. Undoubtedly, when capitalism had its beginnings, there was a form of competition. In its early stages, markets were limitless and there was no need for other than healthy competition as between producers. As I say, there were markets. As the markets became restricted, however, there was for those who wished to exist in the competitive field the need either to restrict their activities or to eliminate those who competed with them; so we stepped from competition to cut-throat competition; and, as more and more throats were cut, eventually we reached the stage

where those who remained had a monopoly of the field. That monopoly has existed at various times and in various forms, resulting in exploitation, so that while perhaps simultaneously cut-throat competition and monopoly exploitation are opposite terms, nevertheless one follows from the other.

The hon. member stated also that it was a favourite saying of those who cast aspersions on private enterprise, that a man who risks capital is a parasite. I would go farther than that. According to the modern practice of capitalism, I would say that the man who risks capital is not a parasite but a sucker. I am going to try to illustrate my meaning, and I will do so by means of certain references to events that have taken place more or less recently.

I will give two examples and try to authenticate them by reference to the proper documents. Let me give one from my own province, because that is not so generally known in this part of the world. I will read certain questions and answers from the proceedings of the Saskatchewan legislature of Tuesday, March 18, 1947, to indicate what I mean with reference to risk capital:

Mr. Feeley asked the government the following question, which was answered by the Hon. Mr. Phelps:

(1) Did the Saskatchewan government invest any money in a briquetting plant at Bienfait? If so, when and how much was so invested?

Answer: Yes. 1918-1924, $267,500.

(2) What was the total cost of the said plant?

Answer: Under agreement, 25 per cent of the cost was paid by the Saskatchewan government, amounting to $267,500, 50 per cent of the cost by the federal government, and 25 per cent of the cost by the Manitoba government, bringing the total cost to $1,070,000.

(3) Was any of the money invested by the Saskatchewan government repaid?

Answer: No.

(4) Was any interest paid by the Saskatchewan government on account of above investment?

Answer: No.

(5) Has the property been sold? If so, when was it sold?

Answer: Yes. April 22, 1927.

(6) To whom was it sold, and how much did the Saskatchewan government receive from proceeds of its sale?

Answer: Charles Gathorne Ashwin for the sum of $1.

I would say that under such circumstances the man who risks capital is definitely a sucker. Let me give another example. I wish to read from the statement made by the Minister of Reconstruction and Supply (Mr. Howe) on Canadair Limited, delivered on Thursday, March 20, 1947. The minister said, in part, as reported at page 1542 of *Hansard:*

During 1946, the Electric Boat Company, a substantial American corporation, became interested in the Cartierville project. This company, with large financial resources, had examined carefully into Canadian economic conditions, and became convinced that it could wisely and profitably engage some of its liquid capital in Canada. After extensive negotiations, Electric Boat Company acquired substantially all of the stock of Canadair Limited, and has entered into an agreement with the Canadian government, effective as of September 14, 1946, covering the crown facilities, contracts, etc., at Cartierville.

I have quoted there from the statement of the Minister of Reconstruction and Supply wherein, on behalf of the government of Canada, he leased to a United States concern, the Electric Boat Company, a property which cost the federal government approximately $22 million, the lease to run a maximum of fifteen years. The rental during that period was at the rate of $200,000 a year. The Electric Boat Company, during the life of the lease, had the option of buying the entire business of this aircraft factory at a price which varied, in the first year, from one-quarter of its capital cost, to one-eighth during the fifteenth year. Along with that, the Canadian government gave contracts to the Electric Boat Company, this United States concern, for $28,000,000 worth of aircraft for Trans-Canada Air Lines and for the Department of National Defence. The sum of $2,000,000 was invested in this particular instance by the Electric Boat Company, according to the statement of the Minister of Reconstruction, and the Electric Boat Company is to provide Canadair Limited with $2,000,000 of working capital.

Here we have an instance of a private corporation, not even a Canadian corporation but one in another country, setting up as a going concern in a factory which now has 7,400 employees on the payroll, at a rate of rental for an equipped factory—one of the most modern in the world, I presume, since it has had a successful record in the production of aircraft in the war—a rate which is one-eighth of what the Minister of Justice (Mr. Ilsley) told this house repeatedly last year was considered an economic rent for a tenant of national housing.

Why do I bring these matters up in this debate on the question whether or not economic controls should be allowed to lapse? I wish to give the Liberal party every credit for what it did in the war emergency, not because it wished to do so, but because it was forced by circumstances to adopt a form of economic planning which I believe the

laisser-faire Liberal will admit was contrary to his best normal inclinations. It stepped into the field of controlling the economy of Canada because it was felt necessary by such gentlemen as the present Minister of Justice, to whom I wish to pay every tribute for the job he did. May I say that I believe the country has always paid the right hon. gentleman the tribute to which he is entitled.

Under pressure of war emergency the Liberal government did something which I say was foreign to its true instincts, that of managing the economy of this country. Certainly it would be opposed to the instincts of my hon. friends to my right, and I believe it is contrary to the expressed instincts of my hon. friends to my left. There is only one party in this House of Commons which believes that the government did adopt a policy which should be used in every crisis, provincial autonomy or other arguments notwithstanding. I believe there are constitutional means of coming to an agreement, so that whenever there is a crisis, whatever its nature, those things can be done which must be done for the welfare of our people. I say the government did a good job by adopting controls, a measure which, as I say, was against its normal inclination to undertake. There was no successful alternative, as it felt and as we agree, to meet the crisis in Canada as a nation. The controls which were instituted as a result of that war emergency were, shall we say, reasonably equitable to most of Canada and to most of its people. I say reasonably so, because proper economic control cannot be combined with a major retention of the profit motive. However, as I say, with that one fly in the ointment, the government stepped into the control picture. Of course adjustments were made from time to time, based on the pressure techniques that the Canadian Manufacturers' Association, labour unions, federations of agriculture, housewives, consumers' leagues and others may have been able to employ. The amount of success that their pressure was able to give to their own group depended a good deal, I would say, on the general attitude of the government to matters respecting social welfare.

There were some good results. We developed a form of labour relations, I think, under national supervision. Again, of course, the hon. member for Stanstead will say, "in opposition to the needs of provincial autonomy" but it was something which we used in a national emergency. There was a form of extension of unionization and collective bargaining which did bring a somewhat closer relationship between wages and the cry for a minimum standard of wages. I say, however, that the government was not entirely sincere in that—and I am not saying that in an unfair way at all—because the dominion government's own pay sheets were not always in accord with the various minimum standards of wages set up by the provinces. The federal government used the fact that it was a sovereign body in order to avoid its obligations and, as nearly as I can tell, is doing so at the present time.

For example, in my own city of Regina, as a result of complaints brought to my attention, I questioned the government with respect to rates of pay at the Regina ordnance depot, and the answer given with regard to conditions there at December 31, 1946, was as follows. One question was, "How many, if any, of the civilians employed at the Regina ordnance depot in October, November or December, 1946, received pay at a rate below the Saskatchewan minimum wage of $18.50 a week?" If the Liberal party is to be fair with respect to planning for proper wages for the people of Canada, it should certainly be a fair employer itself. However, the answer to this question was that in the Regina ordnance depot there were three employees of the federal government receiving less than $18.50 a week.

I asked this further question, "In what employment classification, if any, were wages being paid below the rates recommended to the civil service commission?"

There is a practice, as you know, Mr. Speaker, that wages paid by government departments or on government contracts are supposed to bear some relationship to the going wage in the area in which the work is being done. With regard to the Regina ordnance depot, certain recommendations were made to the civil service commission that certain people be given wages which corresponded to the going wage in the area; yet twenty-three employees at that ordnance depot, which employed 370 employees, received wages below what was recommended as being the going wages for the district: three clerks, grade 1-A; one typist, grade 1; three clerks, grade 2; one clerk, grade 3; thirteen packers and helpers; one storeman, technical stores; one stenographer, grade 3. So I say that the federal government, in spite of being forced into a position where control over a labour condition was assumed by it, in hiring its own help did not live up to the obligations which it imposed on the rest of the Canadian economy.

This is another good result that I should like to say came from this controls programme forced on the government. There is now, and has been for a year or so, a form of orderly marketing of some farm products, with floor prices until 1950. I do not intend to reopen the debate on floor prices; but when I think of floor prices I am reminded of what one of my friends out west said when he made refer-

ence to the fact that wheat is now somewhere around $3 a bushel on the international market and our floor price is $1.55. He said, "Sir, you certainly got a floor, not upstairs but away down in the basement." With that I can agree. But our farmers generally are favourable to the idea of orderly marketing at assured prices, and hope and beg that such controls as are necessary to give the producers the prices they require in view of what they must pay for the things they buy may be retained or reinstituted. That is what is meant by parity prices, and "parity prices" is a slogan you will hear a great deal more often from now on. You will hear it not just from the farmers of my province, who know something about the general meaning of the phrase and who have suffered because there has not been parity; you will hear it from other classes of society in this country who also want parity.

Our consumer prices were kept in hand fairly well during the war and until the last couple of months, and for that I congratulate the government. But I say they are making a mess of things right now. They do not believe in controls; they admit they are going to give us a form of orderly decontrol. Heaven help us if it is any less orderly than at present, because now it is almost a rout. Yesterday the price of sugar went up one cent, and the price of gasoline is quoted at a cent higher as of yesterday or today. It went up two and a half cents in Regina. We are also threatened with increased freight rates. If we want to retain the capitalist system after the lessons taught by the war we have just gone through, when we found that by putting our social house in order we could provide fair distribution for goods in short supply, not just to those who could afford to go to the black market or those who had the largest number of tickets in the form of dollars; if we feel it is just too bad that the poor children cannot get milk at ten cents a quart; if in order to obtain diapers for our babies we have to receive them in parcels from Great Britain, a country which is rationing its own supplies and which is being looked upon with considerable disfavour because it is attempting a new social order, and that because there is not enough profit in manufacturing baby clothes in this country to give manufacturers an incentive to supply our own people; if we just want to let things drift away planlessly, we should support hon. gentlemen to the right, or those across the way. They offer no other course but drifting.

The other day I read a description of free enterprise which, in view of what I have told the house this afternoon, seems rather apt. Free enterprise was likened by a labour leader in this country to an ocean. Those who believed in free enterprise said to all the people, "Now, we will throw you all into the ocean. Those who are worthy will reach the shore because they will have the strength to persevere; those who are inefficient will perish." I want to give a little quotation from the remarks of the hon. member for Rosedale (Mr. Jackman), as reported at page 1772 of *Hansard:*

> . . . one of the greatest virtues of the whole system of free enterprise is that those who are inefficient disappear. If they cannot hold their own and render service to the people at reasonable prices—

I want to be fair, so I continue the quotation:

> —it is soon found that someone else takes their place and their business.

Mr. JACKMAN: I would just direct attention to the fact that the latter part of that quotation obviously refers to businesses; and I think the fact that inefficient businesses do disappear under the free enterprise system is a good deal like having white corpuscles in one's blood stream, because they purify the stream.

Mr. PROBE: That is right; but let me finish my own little allegory. Free enterprise drops us into the sea of economic opportunity. The trouble is that certain people have weights tied to their legs. Others, perhaps through circumstances such as I mentioned in connection with the Electric Boat Company deal or the briquetting plant at Estevan, are given waterwings to help them swim to shore, or they may even be picked up by a good sized raft or a speed boat properly equipped with good old privileged capitalism. It is that form of capitalism to which I object, and it is for these reasons that I want the government not only to retain what feeble controls they now exercise, but to reinstitute those controls which have been removed.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I am rising for just a few minutes because of a statement made by the Minister of National Revenue (Mr. McCann) in reply to my colleague the hon. member for Muskoka-Ontario (Mr. Macdonnell). The hon. member mentioned that there were some 140,000 employees of the government, and the minister said the number was 135,000, according to the bureau of statistics. I do not want that statement to go unchallenged, because, according to a return I have here, the number of employees of the government of Canada, including employees of boards, commissions and corporations appointed by the federal authority, was 173,961 as of December 31, 1946.

Mr. ILSLEY: On a point of order, Mr. Speaker, I submit that this matter is entirely extraneous to the debate.

Mr. ROSS (St. Paul's): It is not extraneous. My colleague was talking about the number of bureaucrats in the country, and so on, and I want to get this straight.

Mr. SPEAKER: Order. The hon. gentleman will admit that we are on the second reading of the omnibus bill, which has nothing to do with the civil service.

Mr. ROSS (St. Paul's): It has everything to do with it, because the whole question is a matter of controls, and the number of people in the employ of the government has a great deal to do with those controls. The statement made this afternoon should not be permitted to go out in that way, because I have the figures here. The monthly payment is $26,462,000, which would be at the rate of $317,544,045 a year. I do not want to take up more time, but I want that statement corrected, as I think is my right.

Hon. COLIN GIBSON (Secretary of State): With respect to the statement just made by the hon. member for St. Paul's (Mr. Ross), I think I should point out that the figure he has just mentioned represents payment not only to civil servants but to employees of crown companies and commissions, and that the figure mentioned is very much larger than the amount paid to civil servants only.

Mr. ROSS (St. Paul's): I am not talking about civil servants; I am talking about the people in the employ of the government of Canada. That is what the people of this country are interested in.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, thus far the debate seems to have been largely devoted to a discussion of free enterprise or free initiative economy as against a system of government controlled or planned economy. As was pointed out earlier by the hon. member for Muskoka-Ontario (Mr. Macdonnell), hon. members of the C.C.F. have taken the position that when we speak of returning to a free economy, a system of free enterprise, we in the official opposition envisage the sort of laissez-faire economy which prevailed in the nineteenth century, and which undoubtedly had its worst development in the nineteen-thirties.

The hon. member for Muskoka-Ontario pointed out this afternoon that we do not mean that kind of economy at all. We do, however, mean the type of economy under which freedom of initiative can be given full play, rather than one under which initiative would be hampered by excessive government controlling and government planning. The type of unrestricted monopolistic capitalism to which the hon. member for Regina City (Mr. Probe) referred is not the type of free enterprise we have in mind at all. But after what has been said, if hon. members in the C.C.F., for whatever reasons they may have, refuse to believe that we do not mean a laissez-faire capitalism, then of course we cannot force them to believe it. It is rather wasting their own time and the time of the house, however, to state with no better foundation than their own desire to believe it, that we wish to go back to that type of economy.

In my subsequent remarks I shall devote some attention to the type of system we have in mind when we use the expression "free enterprise." At the moment, however, may I refer to the statement made last night by the Minister of Reconstruction and Supply (Mr. Howe), because I believe that statement typifies completely what, for want of a better term, I would call the bureaucratic frame of mind.

The minister's statement is found at page 1957 of *Hansard*, as follows:

> Hon. gentlemen seem to think that, after some six years of controls administered by the government, it is now necessary for various members of the opposition groups to examine each item of control and give their opinion on whether the government is doing the right thing or not

In this sentence the minister, by implication at any rate, indicated that it is not proper or necessary, or even perhaps desirable, for us to examine these measures.

Mr. HOWE: Would the hon. member please finish the sentence? He has used only part of it.

Mr. FULTON: I intend to do so. The minister went on to say:

> It seems to me that the government which has had experience over six years in the administration of controls should be capable of deciding the appropriate time to abandon them.

That is the end of that particular quotaiton. It might seem to the minister that that should be the case; it might seem to the house that that should be so. But the point at issue is that apparently the government does not know the best time or method to remove controls. And, further, whether that is so or not, it is surely the function of the opposition to assist the government in arriving at that decision. That is one of the things for which we have an opposition, one of the reasons we have debate and free discussion in the House of Commons. Unless we are

to adopt the principles that we should abandon elections, abandon responsible government, and abandon the system we follow of allowing people to make up their minds and express their views as to the manner in which they should be governed—unless, as I say, we are prepared to change our principles, then when we come to this House of Commons it is our duty to tell ministers, whether they have been here for six years or sixteen years, whether we think they are administering the affairs of the country in the best possible way. It is not in keeping with the traditions—may I put it in that way?—which have given this country democratic government in the past, for ministers to indicate that others' opinions, honestly held, are of no value, that in any event they will not be regarded, and that they should not be expressed.

I use those words because I think the following expression of the minister last night indicated what he had in mind. He went on to say:

> Therefore I would urge that this session be not prolonged by debate that can have no real effect on the situation.

Surely that indicates only one thing, that the government has come to the house with its mind made up, with a closed mind, and is in the mental attitude where it will refuse to accept any suggestion, however much thought has been given to it, or however much real value it may have.

Mr. MUTCH: That is ridiculous.

Mr. FULTON: If my hon. friend can put any other construction upon it he will have an opportunity to do so. During the course of the debate I should like to hear what his construction is.

Mr. HOWE: May I ask the hon. member a question? After six weeks of debate on this particular bill, what effect has the debate had, to date?

Mr. JACKMAN: It took off a lot of controls yesterday.

Mr. FULTON: I would mention the categories of goods which were removed from controls yesterday. There is, of course, a good deal of force to the argument which has been put forward by members on this side of the house, that it is difficult to deal with this bill because there are fifty-seven measures involved. We would like to have that changed. Then in committee we may make more suggestions with regard to these fifty-seven measures. It seems to me immaterial, in a sense, whether we have to sit here until next December before we finish the bill if, when we get through with it, even in only one respect it is a better bill than it was when it first came before the house. That will be the object of the opposition.

Mr. HOWE: That is a high price to pay.

Mr. FULTON: We have only a few minutes left for discussion this afternoon, and I should like to bring up one other matter before moving the adjournment of the debate.

We have heard a good deal about bureaucrats. The hon. member for Muskoka-Ontario referred to the functioning of government officials—he did not use the word "bureaucrats"—the way in which these controls involve supervision and constant snooping. We have heard statements as to the number of these officials required, if there is to be a thoroughgoing system of controls. All these things open the way for great abuses. And, as was suggested by the hon. member for Muskoka-Ontario, not only do they have a tendency to make criminals of those citizens affected—because we all resent controls—but we have in the act a type of provision which has the effect of depriving a man of the benefit of that doubt which, under our criminal law, results in an accused person's being presumed innocent until he is proven guilty.

We also find it necessary to protect controllers against what would otherwise be the legal consequences of their acts. For instance, we find this in section 15 of the order in council setting up the wartime prices and trade board:

> No member of the board and no administrator or other person employed or appointed by the board or acting on behalf of or under authority of the board shall be or become liable to any person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations.

And so on. So that those people have complete protection for their otherwise wrongful acts.

That brings to mind a case which has arisen this afternoon. I would ask the Minister of Justice (Mr. Ilsley) or the Minister of Finance (Mr. Abbott), or perhaps both of them, if they would care to throw light on this particular case, one which concerns the activities of some of the officials of the wartime prices and trade board. It is a case which shows that not only do these controls tend to make criminals of citizens affected, but they tend sometimes to make criminals of those who find these unusual opportunities for abuse placed

in their hands. It is reported from Montreal this afternoon that a lawyer, an official of the wartime prices and trade board, along with another man has been arrested because he had received at least $1,000 as a bribe for issuing blank accommodation rate cards for hotel rooms. It appears that this official is in charge of hotel accommodation rates for one district in Montreal and that he was caught in the act of delivering these blank rate cards to a certain hotel in the Windsor street district. The hotelkeeper apparently informed as to what was going on and the information which we have and which the press has is that at least $1,000 in marked money changed hands in one particular transaction in that connection. I understand that these men are to be arraigned, if they have not already been arraigned, and will be charged early next week.

That is an indication of the extent to which abuses can creep in and are creeping into the administration of these controls. It is possibly an inevitable consequence when you expand your administrative or controlling force as must be done with widespread measures of control such as we have had in this country. I wonder if the Minister of Justice (Mr. Ilsley) would care to say something this afternoon about that situation, because I think it is of vital importance to the country. Perhaps it is not fair to introduce it just before six o'clock without giving him some opportunity to make an explanation. If it is the wish of the right hon. gentleman and it meets with the feelings of the house I suggest that I be allowed to adjourn the debate now, and the minister could make a short statement.

Mr. ILSLEY: I have no information about the facts; this is the first information I have had.

Mr. FULTON: May I be permitted then to adjourn the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT moved the adjournment of the house.

He said: When we meet again on April 14 the first order of government business will be the motion to go into supply, not for the purpose of dealing with supply, but for the purpose of opening up two departments and giving hon. members, if they have any matters that they consider of sufficient importance to take up the time of the house, an opportunity of raising such matters.

Mr. KNOWLES: Do not make that invitation too wide.

Mr. ST. LAURENT: I will repeat what I said before, that I would like to trust to the feeling of responsibility of hon. members not to take up unnecessarily the time of the house when there is so much urgent legislation to be dealt with. I feel sure that hon. members will feel that sense of responsibility.

Motion agreed to and the house adjourned at 5.55 p.m., until Monday, April 14.

END OF VOLUME II